

AUG 14 1944

CREDIT

and Financial Management

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AUGUST 1944

This Simple Financial Statement Sells Itself to Your Dealers

Form SW
Date _____ 194__

FINANCIAL STATEMENT OF _____

Kind of Business _____ Address _____
At Close of Business on _____ 194__ City _____ State _____

ISSUED TO _____

(THIS FORM APPROVED AND PUBLISHED BY THE NATIONAL ASSOCIATION OF CREDIT MEN)
For the purpose of obtaining merchandise from you on credit, or for the extension of credit, we make the following statement in writing, intending that you should rely thereon respecting our exact financial condition.
(PLEASE ANSWER ALL QUESTIONS, WHEN NO FIGURES ARE INSERTED, WRITE WORD "NONE")

ASSETS		Dollars	Cents	LIABILITIES		Dollars	Cents
Cash (Total)				Accounts Payable (for Merchandise)			
(In Bank \$ _____)				Notes & Acceptances Payable for Merchandise			
Accounts Receivable				Owe to _____ Bank			
(Amt. 60 Days Past Due \$ _____)				(When Due _____ Secured) (Unsecured)			
(Amt. Sold or Pledged \$ _____)				Income Taxes, Accrued			
Notes and Trade Acceptances Receivable				Other Taxes, Including Sales Taxes, Accrued			
(Amt. Sold or Pledged \$ _____)				Interest Accrued			
Merchandise Inventory, Not on Consignment or				Rent, Payroll, etc., Accrued			
Conditional Sale, at Cost or Market which-				Payables to Partners, Relatives			
ever is lower				Other Current Liabilities (Describe)			
(Amount Pledged \$ _____)							
Other Current Assets (Describe)							
TOTAL CURRENT ASSETS				TOTAL CURRENT LIABILITIES			
Land and Buildings (Depreciated Value)				Mortgage on Land and Buildings			
Machinery, Pictures and Equipment (Depreciated				Chattel Mortgage on Mch. or Equipment			
Value)				Liens on Mch. or Equipment			
Due from Officers or Non-Customers				Other Liabilities, No Current (Describe)			
Other Assets (Describe)							
TOTAL ASSETS				TOTAL LIABILITIES			
				Net Worth or { Capital \$			
				Surplus \$			
				TOTAL NET WORTH AND LIABILITIES			

BE SURE TO ANSWER ALL THESE QUESTIONS

Amount you are liable for as endorser, guarantor, surety \$ _____ Amount of delinquent taxes: Sales tax \$ _____ Income tax \$ _____ Property tax \$ _____ Other taxes \$ _____ Amount of merchandise held on consignment \$ _____ Amount of machinery or equipment held under lease \$ _____ Amount of machinery or equipment under conditional sale \$ _____ Amount you pay per month on lease or conditional sale contract \$ _____	What books of Account do you keep? Date of latest inventory _____ Date of latest audit _____ Title to business premises is in name of _____ If premises leased state annual rental _____ Name of your bank(s) _____	INSURANCE CARRIED Fire Merchandise \$ _____ Furn. & Fixt. \$ _____ Building \$ _____ Extended Coverage \$ _____ U & O \$ _____ Liability General \$ _____ Auto & Truck \$ _____ Life for Benefit of Business \$ _____
---	--	--

BUY FROM THE FOLLOWING FIRMS:

NAMES	ADDRESSES	AMOUNT OWING

The statement above and on the back of this form has been carefully read by the undersigned (both the printed and written matter), and is, to my knowledge, in all respects complete, accurate and truthful. It discloses to you the true state of my (our) financial condition on the _____ day of _____, 194__. Since that time there has been no material unfavorable change in my (our) financial condition, and if any such change takes place I (we) will give you notice. Until such notice is given, you are to regard this as a continuing statement. The figures submitted are not estimated. They have been taken from my (our) books and physical inventory taken as on date shown.

Name of Individual or Firm _____

If Partnership, Name Partners _____
 " Corporation, " Officers _____

How long established _____ Previous business experience _____

Date of Signing Statement _____ Street _____ City _____ State _____

Witness _____ Signed by _____
 Residence Address _____ Title _____
 of Witness _____

A message on the reverse (address side of this sample envelope style) Financial Statement Form helps you build good will by eliminating the personal factor from your request for a Financial Statement and this message reads:

The
Reciprocal Value
of a
Signed Statement

GOOD CREDIT in the markets of the world enables a merchant to add to his ability to do business. It gives him the use of enlarged capital, thus enabling him to carry a more complete stock, improve his sales and increase his profit.

A merchant who desires to serve his own best interests should recognize that his most valuable possession, apart from his actual assets, is a sound, substantial and unquestioned reputation as a credit risk and that, under the prevailing conditions and demands of business, the most effective and eminently the best way to prove his basis for credit is to be willing to submit a statement of financial condition.

*This Form Approved
and Published by*
**NATIONAL ASSOCIATION OF
CREDIT MEN**
ONE PARK AVENUE, 16, NEW YORK

(Size 8½ x 11 inches)

*Just Recently Revised and Designed Especially for Retailers
Using a Simple Form of Bookkeeping*

Note These Low Prices

PRICES, POSTPAID

Plain	Quantity	With Name and Address	Plain	Quantity	With Name and Address
\$4.80	250	\$9.30	\$16.20	1500	\$28.35
8.00	500	13.75	21.60	2000	37.80
12.00	1000	21.00	25.60	2500	45.80
			30.60	3000	53.55

**NO ENVELOPE IS REQUIRED
JUST FOLD, STAMP AND MAIL.**

CREDIT

and Financial Management

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House-Cleaning Time

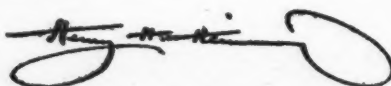
U Every good household has its spring house-cleaning time. It is equally important that this type of good housekeeping be applied to the family budget. In business it is usually in the winter months that the plant or the inventories are surveyed and put in order. It is equally important that business do its fiscal inventory taking.

House-cleaning time as to finances for both the head of the family and the head of a business is here. This is a period when debt should be liquidated. This is a time when each family and each business should if possible wipe its slate clean. Those who do so will be in better fighting trim for the trade or the necessities and luxuries of life in the post-war period.

The soundest financial program for men, women or business in these war days is to get out of debt and once out to continue saving for the opportunities that lie ahead.

Dollars are reasonably cheap now and none too difficult to obtain. The relatively easy dollar of today may be much more valuable in the years ahead. The apparently modest debt of today may seem burdensome tomorrow.

As credit executives we know the value of getting free of debt at stated intervals. We know such a program makes for sound credit and above all for peace of mind.



Henry H. Heimann



FAR FROM HOME.. ***Close to Death***

That's where Johnny is today—your brother—son—sweetheart—the little boy from down the block or around the corner. Now he's a war-toughened veteran of several campaigns—in Italy, Normandy or on a Pacific isle. But, veteran that he is, it is only human for him to be thinking of his home so far away and realizing how close to death he's been and may yet be.

Yet Johnny may be closer to home and further from death than he thinks, thanks to



the American Red Cross and the wonderful work it's doing — among the most important, supervising the collection and processing of the blood plasma that may save his life.

It only takes us a few minutes to give our blood but it may mean years of life to Johnny—years to fight, to conquer and eventually to live at home.

Think of that and make an appointment with your nearest blood donor center. You may be giving years to your Johnny—or the others.

This is the sixth of a series of advertisements dedicated to the American Red Cross by

THE HOME INSURANCE COMPANY, NEW YORK

FIRE • AUTOMOBILE • MARINE

Plan for Handling Past Due Accounts

Cooperation as Keynote for Branch Office Control

Ten credit executives may have ten separate solutions to the problems presented in the handling of past due accounts. Each of these solutions will, of course, have as its prime objective protection for the Company concerned, but the methods used will be peculiar to the specific business and its organization. The problems that are peculiar to our industry and the methods that we have used to overcome them may not be adaptable to others. Our organization functions through twenty-one branch houses in all parts of the United States. Each is a complete operating business in itself although all are controlled from a central office.

We feel that we have been successful in overcoming not only the problems customarily associated with past due accounts but also the complexity that is attendant to an organization spread out as we are but still necessitating centralized control. Our methods may, therefore, prove interesting to other credit executives.

"Benefit From Experience"

A BASIC axiom in credit planning and procedure, if not in all planning, is to "benefit from experience." That which we learn from experience cannot be entirely beneficial unless the lessons are adapted to the conduct of business in a practical and workable manner. This has been particularly emphasized for us during the current period wherever personnel shortages have existed. In credits, as in the other phases of business, it is important to get the job done thoroughly—but on time and with a minimum expenditure of effort.

In our opinion the solution to the problem of past due accounts is dependent upon two factors—one requiring proper physical control of the accounts receivable and the other the

By G. M. FACTOR

Manager Credit Division,
Brunswick Balke Collender
Company, Chicago



utilization of whatever personal contact may exist with the customer. The importance of the salesman is paramount in the successful application of the latter.

Assuming intelligent credit handling and investigation in approving orders for credit there should result only an acceptable percentage of troublesome accounts. The prime problem is to isolate those accounts as early as possible through proper control and at the same time insure that the number is not increased through neglect of the other accounts.

Branches Report on Accounts

AT the close of business each month a past due report is prepared by each Branch on a standard form provided for that purpose (Exhibit A). The columnar headings are self-explanatory. As of May 31 that portion of an account balance representing May purchases would be

listed in the "Due Current Month" column, whereas April purchases would be listed in the "1-30 Days" column, etc. Any items appearing in the "over 60 days" column must be accompanied by a listing of the date of sale in the "Remarks" column. The numbers appearing immediately after the name of the customer identify the salesman responsible for the sale. The "Not Due Current Month" column is used to list items given special dating.

All of the information listed on this report is readily available on the customers' ledger cards. The preparation of these reports is a relatively simple typing task and is a once-a-month proposition. Some of our Branches list more than one thousand accounts and the reports are usually completed during the first week of the month. Five copies are prepared and as soon as they are completed the original is turned over to the Branch Credit Department.

Newly delinquent items are picked up for collection handling from the new past due report. Once a collection letter is written our follow up system provides for automatic and consistent handling until disposition. Therefore, immediately that the new report is available only the newly delinquent items need be handled to insure that all accounts are being followed for collection.

A Duplicate of Ledger

AS a means of convenient and adequate control of accounts the past due report offers many advantages. As cash is received it is marked off on the report so that in effect the report becomes a duplicate of the actual ledger card as far as the account balance is concerned. It, therefore, becomes unnecessary to interfere with the bookkeeper in the normal course of handling the credit-collection de-

tail—a boon to more efficient operation and the elimination of a heretofore outstanding bottleneck. As a consequence in many cases new orders may be handled simply on the basis of the past due report. Practically all follow-up collection letters can be handled on the basis of that report.

Sales is a full time highly specialized function and salesmen cannot ordinarily be expected to be conscious of the importance of their position in satisfactorily handling troublesome accounts. On the other hand we are firmly impressed with the close association that must exist between the salesmen and their credit department, if the problem of past due accounts is to be solved satisfactorily—a real partnership of sales and credits. Unless such a partnership actually exists the means of cooperation to the mutual benefit of both departments as well as the business as a whole, has most definitely been lost. Through the proper education of the salesmen and practical application of “the partnership” effective sales aid in the handling of past due accounts can be forthcoming voluntarily.

A Way to Save Sales

IN the course of a sales training program and at sales meetings it is customary to point out that past due accounts reduce the sales potential, that the credit department is vitally interested in saving sales, improving customer relationships, etc. All is forgotten soon after the training period unless that theory receives application. Accordingly, we encourage sales recommendation in submitting orders for credit approval, explain in detail the reasons for non-approval and suggest means of strengthening the credit of prospective purchasers. Where relief is extended to a customer who cannot make payment of a matured account we explain that such relief is based on the recommendation of the salesmen. Through this type of activity we have demonstrated to the salesmen the willingness of the credit department to “pitch” for their benefit. On the basis of experience we can state that in turn the credit department has received effective aid toward collections.

It must also be appreciated that the extent of the aid received is in direct proportion to the ease with which the salesmen can provide that

FORM NO. 4145-R
THE B.B.C. CO.

(EXHIBIT A)

Page 1

ACCOUNTS RECEIVABLE TRIAL BALANCE AND PAST DUE REPORT

As of May 31, 1944		Branch Chicago					
CUSTOMER	ACCOUNT BALANCE	DUE CURRENT MONTH	Past Due Amounts			NOT DUE CURRENT MONTH	REMARKS
			1 - 30 Days	31 - 60 Days	Over 60 Days		
J. Jones	4 800.00	700.00	100.00				
T. Smith	8 75.00				75.00		Jan. 44
S. Ferguson	8 200.00	200.00					
A. Adams	5 400.00	200.00				200.00	Sp. Dating
(This form printed on an 8 1/2 X 11 inch punched sheet)							

(EXHIBIT B)
STATEMENT

THE BRUNSWICK-BALKE-COLLENDER COMPANY
623-633 SOUTH WABASH AVENUE
CHICAGO 5, ILLINOIS

John Wright,
313 Mill Street,
Chicago, Ill.

PAY
LAST
AMOUNT
IN
BALANCE
COLUMN
↓

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	REFERENCE	CHARGES	CREDITS	BALANCE
			BAL. FORWARD	
MAR 30 44	661	100.62		
MAR 31 44	255	25.04		
MAR 31 44	517	27.30		
MAR 31 44	214	21.00		173.96

This statement lists the only credits or discounts to which the buyer is entitled.
Further deductions of unearned discount may involve the buyer in a Robinson-Patman Act violation.
FORM 2848-A 4-43 YPC THE BRUNSWICK-BALKE-COLLENDER CO.

(EXHIBIT C)
Lengthwise on 8 1/2 x 11 Sheet
PAST DUE ANALYSIS
as of
MAY 31, 1944

BRANCH	DEBIT BALANCE	1-30 DAYS	%	31-60 DAYS	%	61 DAYS & OVER	%	NO. ACTIVE ACCTS.	NO. ACCTS. 61 DAYS & OVER	%
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(EXHIBIT D)
Lengthwise on 8 1/2 x 11 Sheet
SUMMARY OF DELINQUENT ACCOUNTS

TO: CHICAGO BRANCH		REPORT DATED MAY 31, 1944		DATE JUNE 10, 1944	
NAME	61 DAYS & OVER	ACCOUNT BALANCE	REMARKS		
J. Jones	60.00	200.00			
T. Smith	45.00	45.00			
A. Adams	200.00	400.00			

SPECIAL REPORT

Date Received _____ Date Reported _____

Salesman's Report:

Signed _____

help. Accordingly, it is essential that the salesmen be posted with respect to the condition of the accounts in their territories and that they be given an easy method of communication.

Statements in Triplicate

THE regular monthly statements of account, are prepared in duplicate and sent out to our customers before the fifth day of the month. These statements are automatically prepared at the time the bookkeeping posting are made during the month—one machine posting is imprinted on the ledger cards and the statements at the same time. Duplicate state-

ments on delinquent accounts only are mailed to the salesmen. In addition copies of all letters to customers are sent to them.

The duplicate statements sent to the salesmen are prepared, on the reverse side, to allow a convenient means of comment by the salesmen, (Exhibit B). There is no substitute for personal contact and if we can secure the benefit of the knowledge obtained by the salesmen through contact with customers, for use in the collection of accounts, we have certainly progressed in the right direction. Having established the willingness to aid voluntarily there only remains the means of securing that

cooperation. The statement bearing the comment of the salesmen is returned to the Branch along with his daily mail containing orders, etc. One of the most difficult types of accounts to handle for collection is the customer that does not reply to collection letters. The cooperation of the salesmen in keeping us advised with respect to current developments so that we may condition our collection correspondence accordingly, has proven to be a splendid method of efficiently controlling this type of customer.

Help for Branch Manager

THE Branch Manager receives a copy of each monthly past due report and it serves to give him considerably more than a picture of the accounts receivable. In the first instance he is posted as to the purchases of the accounts listed. At a glance he can determine the past due condition of the accounts all over the branch territory. Furthermore, through the coding of the customer with the salesman that tie-up can immediately be effected.

In some branches we experimented with the preparation of a recapitulation of the delinquent accounts in each salesman's territory and the use of those recaps for comparative purposes. The distribution of these comparative statements among the salesmen, has the desired effect in itself inasmuch as none of them want to be at the bottom of the list in any type of endeavor. A comparison of this nature may also be used as the basis for a contest where warranted.

Sales Dept. Valuable

IT is obvious from the foregoing that we have not been satisfied with just physical credit department control of accounts receivable. In addition we have enlisted the voluntary aid of the sales department which has proven to be mutually beneficial—sales potential and volume has not been restricted and collection control and results have been highly satisfactory.

In addition to the control of the individual accounts by the branches it is also necessary that we maintain adequate control at the Home Office of the credit position of the branches themselves. Note that the title given the monthly report is "Accounts Re-

(Continued on page 30)

In Defense of the Credit Executive

No Good Reason for Clash with Sales Department

By **FRED H. J. BAUME**

Controller, La Crosse Drug Co., La Crosse, Wis.



"Boys, here is the Company's policy, the terms of sale and our selling prices; there are no exceptions for either of you. When our house sells a bill of goods, the sale must be according to our established prices and terms. All customers will be treated on an equal basis; when the chiselers show up, our credit manager will list the facts covering violations and turn them over to the sales manager to take up with Mr. Chiseler by writing him the company's policy, or have the salesman call on the particular customer and straighten out the difficulty. The credit manager will determine the tradesmen's responsibility, character, habits and business ability, etc., and when the doubtful risk shows up, let the head of the house make the decision, if that is to be the way to keep peace in the family.

Salesmanagers are optimists, they are restless, always want more sales of course. Why not? But surely not to increase sales by insisting upon good merchandise being shipped to incapable or crooked tradesmen. Every sale must be to dependable persons. Why release merchandise to an incapable, unreliable store keeper

and thereby make it tough for your worthwhile store keeper to get along.

Credit Manager the Goat

A CERTAIN general manager was friendly with a salesman who needed a job; he was hired and placed in charge of a wholesale house in a good sized city. The new salesman was bent on making a good showing; so everytime the credit manager called his attention to a delinquent customer for whom he refused further credit, this salesman passed the order over the head of the credit manager. After the close of the year the auditors came in to make the annual audit. Their audit disclosed a long list of worthless, uncollectible accounts. Whereupon the general manager called in the credit manager to get his explanation, which was that the sales manager was to blame for overriding him in his decisions. In place of taking the salesman to task, this general manager discharged the credit manager.

In another case, the credit manager reported to the chairman of the board on a certain customer of the house whose credit was way over-extended and still expected this house to fill his new order for a carload of merchandise. This chairman then called in his salesman to ask his opinion; the salesman was very emphatic in his belief that the customer was worthy and just as emphatic in denouncing the ability of the credit manager. Whereupon the chairman requested that the order be shipped, and the credit manager replied that it would have to be on the chairman's credit approval. Thirty days later this tradesman went into bankruptcy and the house lost \$5000.00. This credit manager knew his onions, was doing an outside job, and his company (through his guidance) year after year increased its business with better profits than before he connected with

The June issue of *Credit and Financial Management* carried the keynote address before the 49th Credit Congress at Omaha, by Henry H. Heiman; a very worthwhile address and hit the nail on the head all the way through. Nowhere in this address did he rip into the credit managers or executives as being incapable of cooperating with the sales managers; nor did he call them sour-pusses, or class them as hard-boiled, hard-fisted individuals who do no good.

Who are these egotists who elevate themselves to the heights of Lucifer to say that all Creditmen are a mere waste of time, sour-pusses, joy killers, killers of the goose that lays the golden eggs, wreckers of institutions or what have you?

In this same issue were a lot of pictures of credit women and men. I scrutinized these pictures very carefully to see how many sour-pusses and hard-boiled people I could find. Well, the answer is they all look congenial, brainy, big hearted, capable of holding their own with any sales manager and doing a fine job for their employers and their customers.

Up to Company Policy

THROUGHOUT my years of employment, beginning with small business concerns and up to the largest of their kind in the country, I have met and dealt with all types of human things, and have met and dealt with all kinds of sales managers and salesmen; therefore I have heard and seen much good, bad and indifferent.

If any concern finds friction exists between its sales manager and credit manager, then it is my contention the head of the house is to blame—for this reason—the President of the Company or whatever he may be must bring the two departments together with this absolute understanding:

this company, yet the sales manager constantly found fault, so finally this credit manager quit.

Real Postwar Dangers

DURING the summer of 1930 in Chicago, salesmanagers from the various big cities were having a convention. By a mere stroke of luck I gained admittance to one of their conferences. The speaker was laying out the words of praise how his company had increased its business by the millions and that all this was done without the need of a credit manager and on top of it condemned the credit fraternity all the way through. Right after that we were reading in the papers of this splendid sales work—"Consumers throttled to the gills with debts, out of work and no money with which to pay off; store keepers failing right and left." Now let's hope that during the postwar period, business will be conducted sanely and sensibly and according to everyone's ability to pay for what is bought, either for cash or on time.

The article by Mr. M. D. Hill, "Credit Man's Role in Postwar Period," in the June issue is full of excellent ideas and suggestions. There positively cannot be any other way out in any company; all departments must work hand in hand. The thoughts he expressed about a credit policy is correct. In our little business, whenever there are any sales or credit problems the salesmanager and credit manager always go out as a team. We jointly attend druggists' conventions, sales meetings and, whenever a salesman of the house becomes temporarily incapacitated, the credit manager takes over the route. Likewise when customers come into the house, they are met and entertained by the credit manager as well as the salesmanager. We do not have bad credit risks, we do not decline orders, we do not make any accrual write-offs at the close of the year for doubtful customer accounts and, actual losses from bad credit risks are nil.

Why Be Shy About Collections?

WHEN a store keeper, or anyone else for that matter, contacts to purchase a bill of goods for credit, he surely must have the intention of paying for his purchases in accordance with the terms. Then why is it with so many business men and individuals that they want to forget

entirely about paying for what they bought and, when reminded, after the account is past due, of their obligation, they become incensed and profanely jump the credit manager for having made the request for payment. There may be all sorts of ways and means to deal with a situation and find the right kind of solution for most problems, but why should anyone "beat around the bush" about anything. When frank, direct to the point, friendly requests or statements are made, it seems that that would be quite sufficient. Settlement of delinquent accounts must be forced if willingness to pay on time is lacking on the part of the debtor.

In our business, we have a fine lot of customers, we enjoy their confidence and good will. By the 10th of each month 90 per cent of the previous month's accounts receivable have been paid. We always finish the month with less than one month's business standing on the books; in other words, our monthly accounts receivable balance never exceeds 26 days average. Should any account run past the "net 30 day" period, a statement is mailed to the customer and a copy to the salesman with the request that he collect on his next call. We do not write collection letters; in our business it is a waste of time. From the manner in which our system works, we obtain a daily review of all transactions. The cash discount we earn on our purchases practically constitute our net trading profit. Our purchase invoices are all paid less the cash discount according to the vendors terms of sale.

Credit Losses Can be Low

SOME years back, while I was credit manager for a concern doing a nationwide business (my territory covering the eastern half of the United States), over a ten-year period, sales in my territory averaged seven million per year, bad debt losses per year averaged \$1200.00; highest loss in one year \$2200.00; three years showed a loss of \$350.00 each and declined business averaged \$3500.00 against which at end of each year 90 per cent of the store keepers whose orders were declined had gone into bankruptcy and the remainder had quit business.

In a concern (following the foregoing) where I was the Credit Executive, out of 12 million annually,

over a five-year period my losses did not exceed over \$500.00 average per year. During the fifth year, however, one of the salesmen traveling the southern states brought in an order for about \$5000.00 obtained from a new tradesman just starting in business. After a thorough credit investigation, I reported to the general manager that this would not be a safe risk. The salesman was apprised of the decision but he came back stating he would personally guarantee the account. This was also referred to the general manager who then advised to have the order shipped. During the following sixty days, the house received a first payment of \$1000.00 and 30 days later this store keeper went into bankruptcy and the company took the \$4000.00 loss.

Credit Men Are Profit Producers

SO where do we go from here? Well, if your credit manager knows his onions don't rebuke or belittle him. Also do not overlook the fact that Credit managers are serious, well meaning and invariably the real profit makers for their employers. Zephon the Great, as we called him, during his time would give us his sermons at our monthly creditmen's meetings at the Phister in Milwaukee. During one of his talks he said, "You credit managers have got to be so good at your jobs that you can smell and taste the bad ones as the orders come flying over your desks."

In support of this, he told this story: "A Kentucky Colonel invited two of his friends in for an evening. This Colonel was a connoisseur of fine whiskeys of which he always had a good stock on hand. So, that evening, he served a new brand of whiskey to his friends and then asked them for their opinion on the quality. The first gentleman took a smell and reported, 'Very fine whiskey but it smells like leather.' Then the second gentleman took a swallow and reported, 'Very excellent whiskey but it tastes like iron.' Of course the Colonel was much disturbed and after his company left for home, the Colonel went to his cellar, dumped the remaining whiskey out of the keg; at the finish a nail with a piece of leather dropped out; so there was the answer. That's how good you credit managers have got to be."

Often when success has been won,
(Continued on page 30)

Postwar Pitfalls in Retail Merchandising

Some Selling Problems in Men's Wear Field

BY K. J. KRAUSE,

Credit Manager, Cooper's, Inc.,
Kenosha, Wisc.

CThe crucial time of the war is at hand. What is happening in Europe today and what will follow in the weeks to come will shape the history of the world for generations.

At such a time it hardly seems important for us of the credit fraternity to deliberate on problems of business. And yet, I know of nothing more important for every non-fighting American to do in this hour than to carry on his work, keep calm and continue to support the war effort in every way.

Nor dare we overlook the need for intelligent postwar thinking and planning so that those who are today fighting our battles may return to a nation not only grateful for their sacrifices but also a nation economically strong and thriving. It is in this spirit then that we give consideration to the broad problems indicated in the above subject.

LET us first define our subject.

While many of the points we will touch upon apply to all retail merchants, my remarks concern primarily the independent retail merchant of men's clothing, furnishings and shoes. I shall refer to this class of merchant as the men's wear retailer. He may operate a small, one man haberdashery doing about \$15,000 business in a year or he may operate a three-floor clothing, furnishings and shoe store with a sales volume upwards of \$250,000. With this in mind let us consider some of the problems such men's wear retailers may have to face between now and the next year and possibly afterward. I think you will agree with me that out of the problems of these men's wear merchants will come our problems, and that an understanding of their problems is surely a pre-requisite to solving our own.

In order not to mislead you in any manner let me say at this point that

I claim no prophetic powers, neither am I an economic expert. I only give you the viewpoints of a credit man who has given this situation some thought, as doubtless you have also, and who has drawn very freely on the knowledge of other credit men as well as various qualified sources for helpful information.

It is not possible to comment with certainty on the general economic developments of the next twelve months. On the other hand, we must attempt some evaluation of the possibilities for we cannot examine the problems of these men's wear retailers except against the background of changing national and local economic conditions. So let's take a quick look at the picture before we get down to specific problems.

When Will War End?

WHEN and how will the war end? That is probably the most important and one of the hardest questions for us to answer. No one knows when or under what conditions the fighting will end in Europe and in the Pacific. Much as we are interested in that question, for our own purposes we should interpret the end of the war somewhat differently than it is commonly thought of. So far as the economic effects on the retail field are concerned, the war will end at different times in different ways for various businesses and communities. It would seem that in each case it will end at that point when our government and circumstances permit the resumption of production and distribution of civilian merchandise without endangering the war effort. Thus you will see that the war will end for some businesses before the actual fighting is over and

for others not until long afterward. That is something very important for us credit men and women to remember. Our customers will not *all* go along on a war basis to the last day of the fighting and then overnight *all* face the same problems. Some will have these problems earlier, some later, but few will escape them.

Suppose we illustrate this to bring out the point more clearly. The demand for war equipment has shifted with the changing tides of war. Where the cry at one time was for tanks and more tanks it is now for landing barges and more landing barges. At one time it seemed we could scarcely turn out enough munitions of all sorts to meet the demands of war. Yet for nearly a year there have been reductions and terminations of certain types of munitions contracts. Some shell-loading plants have closed down entirely.

Effect of Production

NOW the point of all of this is that every time there is a shift in the emphasis in war production—every time our military needs change or decline, it affects some community or a number of communities. Thus it is apparent that if the men's wear retailer will keep alert and will keep himself informed on the changing trend of the war and relate the facts as he learns them to the part which his community plays in the war program, he will not be caught entirely unprepared. He will recognize, for example, that if there is a farm machinery manufacturer in his community the cancellation of the manufacturer's contract for tanks will not necessarily hurt the community, as it opens the way to resume the manufacture of farm machinery. In short, he does not have to be an economist or an expert of any kind to know when the war is over so far as his community is concerned. He should

be able to see that day coming, for his own town, quite a long time before it arrives.

Along this same line, we find that Dr. Harold G. Moulton, President of the Brookings Institution, who incidentally addressed our Credit Congress, as well as many other leaders, are of the opinion that the war is not likely to end in Europe and Asia at the same time and also that the demobilization will be a gradual process. Dr. Moulton believes that if there is a lapse of one year between the end of the war in Europe and the defeat of Japan then the process of demobilization of the armed services and of the war industries will extend roughly over a period of two and one-half years.

During the first 12 months following the European victory probably about 8,000,000 men on the average would still be under arms. During the first year following the end of the war in Asia from four to five million would on the average still be in the services. These figures assume that we will retain an armed force of at least one and one-half million men for at least two and one-half years after the end of the war for policing duties, etc. I mention these figures because they represent past and future customers of the men's wear retailers.

Industrial Change More Rapid

INDUSTRIAL demobilization will be more rapid. In fact, it is already under way in some degree as you will readily agree when you consider the volume of contract terminations, cutbacks and the greatly improved supply situation on certain heretofore critical raw materials such as steel and copper, to name only two of them.

The prosperity of the country, and therefore of every men's wear retailer, depends upon the capacity to produce and to consume. This immediately brings up the question of employment. Dr. Moulton states that the Brookings Institution estimates that a condition of reasonably full employment, presumably for the period following complete demobilization, would be realized if we had an average of 54,000,000 persons at work which means that we must provide at least 8,000,000 additional jobs as compared with the last prewar year. And I might add that the

COMMITTEE FOR ECONOMIC DEVELOPMENT sets this figure as between eight and ten million additional persons employed and also states that we must boost the national income to \$142,000,000,000 per year at 1940 price levels.

So let us summarize the general picture for our purposes, in two sentences. First, we should recognize that the transition from war to peace will not and can not be made overnight—that it will be a gradual process. Second, that neither we nor our friend the men's wear retailer dare think in terms of returning to previous levels of business and employment but rather we must think in terms of a 30 to 45 per cent increase if we are to have a prosperous United States and make good our pledge to the men returning from the war.

How is all of this going to affect the men's wear retailer? I wish I knew the exact answers but I frankly confess I do not. However, it is again possible for us to do some reasonable guessing as to the probabilities. We can probably determine the fields in which the main pitfalls of postwar retail selling and merchandising may be encountered. Let us therefore first enumerate the main problems and then examine some of them in detail.

Some Inventory Problems

YOU will probably agree with me that the merchant will have some inventory problems. He will also have selling problems such as competition, price, consumer credit, style trends, merchandising methods and merchandising policies. He will face store problems such as location, overhead expense, store appearance, and the rebuilding and retraining of store personnel. In the main these are not new problems but the war is presenting them in a different manner than the retailer has encountered them in the past. And it is from this viewpoint that we should undertake a consideration of them.

I mention inventory problems only to remind you that there are pitfalls for the dealer in the way of inventory devaluation, possible panic selling by some retailers when the fighting ends in Europe, difficulty in moving war quality merchandise, etc.

Let us now consider selling problems. Under this heading you will probably agree that first place must

go to competition. At least five distinct forms of competition seem already discernable. The first is competition from other independent retail merchants. The men's wear retailer has always had this to contend with but in the postwar picture there will be this difference—there is likely to be a considerable influx of new blood in the retail field as men who have delayed their plans because of the war finally go into business for themselves. And it should be noted these newcomers will be mainly young men with fresh viewpoints, new ideas and great energy. One of the reasons for such abnormally low failure figures in the last few years is the fact that practically no new businesses were born. It seems reasonable therefore to assume that the birth rate of new businesses in the immediate postwar period will be much greater than normal and this will bring new competition.

Chain Stores and Coops

SECOND, we have to consider competition from chain stores and cooperatives. The cooperatives have not yet reached the point where they represent a major source of competition but we must recognize that they are part of the picture and that there will probably be more of them after the war. As to chain stores, it is almost a foregone conclusion that there will be a heretofore unparalleled aggressiveness and expansion in their operations. This is the opinion of Mr. Burton Bigelow of the Burton Bigelow organization of New York City. It is also very clearly the opinion of many other business leaders both in and out of the retail field. Chain stores are likely to invade many new fields and many new communities and almost without a doubt they will continue and improve their already highly effective merchandising methods. I have seen some comments growing out of a survey by Mr. Frank La Clave for *Printer's Ink* in which he sets down the opinion of retail merchants in Lancaster, Pa., to the effect that they do not anticipate a revolution but rather an evolution in merchandising methods and in merchandise itself. I wonder if these merchants are perhaps not too complacent—if they may not find that, regardless of their own feelings on the matter, more or less revolutionary changes may be introduced by

competition, very likely by the chain stores. I seem to detect another evidence of independent retailer complacency in the fact that there are still 19 states who have anti-chain store statutes on their books. The whole history of the development of industry and commerce proves the fallacy of trying to prevent change by legislation. If the chain organizations can do a better job of distribution than the independent retailers then laws are not going to stop their growth. Rather it seems to me that the independent retailer can very well take a leaf out of the book of chain store organizations and add many of their methods to his basic advantages of being a "home town" man, of having the friendship of his community, of his access to nationally known brands of merchandise, and of his ability to render special services.

A Return to Old Lines?

THE men's wear retailer is going to face some competition from what were formerly non-competitive sources. Mr. Burton Bigelow, whom I have mentioned previously, has termed this type of competition "cross-raiding competition." The war has stimulated it. The shortage of merchandise has forced many dealers to carry unrelated lines of merchandise. Some are not going to give up all of these lines and others are going to add new lines. Thus we find men's work clothing in hardware stores and we find, even in conservative Lancaster, Pa., that one of the furniture stores has indicated its intention of adding men's wear after the war. You may also have heard the rumors that several well known chain organizations now in the tire and auto accessory field may expand to include a great variety of consumer goods.

We come next to a type of competition not frequently mentioned but in my opinion one of the hardest for the men's wear retailer to combat after the war. I have reference to competition from unrelated goods, from what is known to economists as unbalanced consumer spending. When Mr. America can again buy automobiles, refrigerators, radios, cameras and a host of other necessary and luxury products that he has been unable to get during the war, he is not likely to buy suits two

at a time, shirts by the half dozen and so on as has been so frequently reported doing during the earlier stages of the war when durable goods was unobtainable, money was in his pocket and he wanted to stock up on clothing, shoes and furnishings. I think you will agree with me that the competition for the consumer's dollar between unrelated lines of goods will be greater than ever before.

What of Government Stocks

THE fifth form of competition that the men's wear retailer may meet grows out of the sale of government owned surplus stocks of consumer goods. There are huge stocks of shoes, underwear and other items of wearing apparel in government hands. If these stocks are not wisely handled after the war they can disrupt established markets and channels of distribution very seriously. As far as I have been able to determine there is as yet no definite plan for the disposal of such consumer goods although the problem is under study by a number of groups both in and out of the government and we can hope that the thought being given to the question will produce a sane solution.

The price question is going to bother all business and of course also the men's wear retailer. We could probably devote half of the afternoon to this topic alone if we wanted to explore all of its ramifications. That we can not do but let's give the price problem a quick once over. It seems to me significant that the Baruch REPORT OF TERMINATION calls for prompt *extension* of needed war powers of the government, including the price control laws. Thus it seems apparent that there will be some degree of control of some kind beyond the end of the war. The exact nature and length of time of the control can not be foretold but it would seem likely that there may be a switch from controlling ceiling prices to establishing floor prices below which prices may not drop. Somewhere along the line the market as a whole will have to be freed of price control but when and how, and what the effects will be, I hesitate to estimate. But we can not leave this price question without considering the long term aspect. Part of the influence

of this long term aspect on prices will no doubt be felt shortly after the war. If we accept the goal of \$142,000,000,000 national income as necessary to sustain reasonably full employment and prosperity in our country, then it seems fairly clear that we must also accept the principle of volume production and volume selling at the lowest possible prices. It seems to me significant that one of the resolutions adopted at the last convention of the National Association of Manufacturers commits that organization to adopt a policy to "produce and distribute better goods in greater volume at lower prices to more people."

Narrower Profit Margins

ALL of this seems to imply narrower profit margins but not necessarily smaller over-all profits for our men's wear retailer. Remember, in the over-all, 30 per cent more goods and services must be sold at retail in the postwar period than in 1940 to reach the goal previously mentioned. Thus it would seem that the competent, efficient men's wear retailer is not faced with a reduction in total profit but rather with a smaller profit per item on a much larger over-all sales volume. There seems to be some divergence of opinion about the postwar price level in general. I believe that as compared to prewar levels, prices and costs are likely to be higher but as compared to present levels the price trend will likely be downward but the drop should not be as sharp as it was following the end of the last war because the wholesale price rise from Sept. 1, 1939, has been only about 30 per cent as against 80 per cent for the corresponding period of the last war.

What I have said about prices applies in part to regulations covering consumer credit. I doubt that regulation "W" will be long continued after the end of the war. On the other hand, despite some conflicting opinions about the value of credit regulation in peace times, it seems likely that some type of regulation will persist as certain aspects of it have proven very favorable to retailers. It may very well be in the form of some cooperative voluntary regulation agreed upon by retailers themselves. We can not leave the question of consumer credit without

pointing out that the liquidation of installment obligations during the war has opened the way for a new period of expanded buying on the basis of new installment credits after the war.

Style trends are another one of the selling problems ahead of all of us whether we are in the manufacturing, wholesale or retail end of the business. Not much can be said except to indicate a few of the current trends. There seems to be an increasing emphasis on clothing for leisure wear. The war may produce style changes; for example, lighter weight garments for outerwear seem to be coming into favor. There undoubtedly will be new fabrics which will bring new style developments and quality improvements. The merchant will be faced with the question of choosing the good from the poor among the new developments.

Merchandising Methods

THE last of what I would consider selling problems could come under the heading of merchandising methods and policies. I have already touched upon the possibility of new lines and goods going into stores. I think we shall see a growth in the self-service idea. Even in a men's wear store there are many items that lend themselves to this type of merchandising. It is one way for the men's wear retailer to cut overhead costs.

Merchandising policies should be considered briefly. Mr. Men's Wear Retailer will have to decide whether or not he is going to take on new and unrelated lines of merchandise and if so, what lines. He will have to decide whether he is going to turn to his old brands that are established in his store and with his customers or whether he is going to continue with some of the additional brands he has put on under the pressure of war necessity. He will have to decide for himself to what extent it is necessary for him to clean out his stocks and return to sound buying practices because I believe the postwar business situation will not permit the retailer to operate successfully if he follows unsound buying practices, if he carries too much stock and gets a slow turnover because of duplicated lines, etc.

Coming now to store problems we consider first the question of loca-

tion. This in turn breaks down into a community or regional problem and then to a problem of location within the community. From the community standpoint we must recognize that there have been very definite shifts in population as a result of the war. Some old established communities have lost a substantial number of people. New war-born communities have gained. Some of these losses and gains are temporary, others are permanent. The over-all national trend seems to be an expansion to the South and to the West. But even in these areas that seem to be favored, and especially on the West Coast, there are communities where employment and business levels now prevailing are established largely on a war base and both will recede very sharply when the war is over. No one is in a better position to judge these trends for each community than the retailers that live and do business in it.

Decentralization Trend

THE problem of location within the community will not be much different in the postwar period than in the past—it will depend to a large degree on the same factors of consumer traffic, type of store, parking space and rentals, etc. But in the metropolitan areas there seems to be a definite trend toward decentralization. In support of this one has to consider the growth of outlying business centers in the larger cities and the fact that many of the big downtown stores of the larger cities are opening suburban branches. This movement is taking on the aspects of chain store development in some places.

Overhead problems are going to be difficult in the postwar period. On the one hand it would seem that rent, wages and selling commissions and taxes are likely to stay up at fairly high levels. On the other hand, the retailer will probably have to cut his costs to hold selling prices down. This means the elimination of all waste and inefficiency in his operations.

There is one problem about which most retail merchants seem to have done some thinking, and that is the matter of postwar store improvement for better appearance and efficiency. A good many merchants are planning on remodeling, better light-

ing, better display of merchandise and self-service installation, air conditioning, etc. The aggressive and progressive merchant in each community, and it may be the chain store, will probably set the pace in this type of development and the other retailers in the town will have to follow along or lose some of their trade. And again, this development is likely to be less rapid and less extreme in the smaller towns than in the larger cities.

Store Personnel

LAST but not least, under store conditions, our men's wear retail merchant must consider the problem of rebuilding store personnel. Some of his former employees are in the services (and incidentally a survey indicates that 65 per cent of the men in the Army do not want their old jobs back), others have gone into different lines of work. Many in both groups will not return to the store. Thus it would appear that many retailers will have the problem of rebuilding their staff and retraining it. The wise manufacturer and wholesaler will offer training help to those retailers who want it. Strangely enough not all of them do, although it would seem that no retailer could well afford to pass up such assistance.

If the men's wear retailer may think this job unimportant or on the other hand too difficult for him to tackle, let him consider the emphasis that is being put upon proper sales training under the program of the COMMITTEE FOR ECONOMIC DEVELOPMENT. In 56 cities throughout the land the CED has sponsored sales forums at which they have distributed manuals to make postwar selling more intelligent—in other words, this is a large scale salesmanship training program. And as usual, the benefits of this program are open to the men's wear retailer if he wants to take advantage of them.

Reviewing the picture as a whole, on the favorable side we have the tremendous purchasing power represented by savings as well as potential credit, coupled with a huge demand. There will also be benefits from improvements, better quality and better styling, and the fact that on the whole, up to this point at least, prices and inflationary tendencies

(Continued on page 23)

Business Executives Urged to Study Senate Bill on Insurance

CF The Insurance Committee of the National Association of Credit Men presents the following declaration as to whether Insurance should be regulated by the Sherman Anti-Trust Law. We urge immediate study of this presentation and ask all members to express to the United States Senators from their several states their views in support of Senate Bill S-1362:

For over half a century, if not from its origin, insurance has not been regarded as interstate commerce. Not being interstate commerce, it was not subject to federal regulation nor generally subject to the anti-trust laws. That it was a business of tremendous importance to our people, affecting as it does every family in our country, was clearly recognized by the authorities of the states in which insurance companies operate. To protect the public and insurance companies as well, the various states have for years maintained insurance regulatory bodies. On the whole, these regulatory divisions of state governments have operated efficiently in the interest of both the company and the policy holders. The protection to the policy holder has been a limitation of investment of insurance funds, a control of cut-throat competition, the adoption of uniform clauses in insurance policies, licensing provisions, a measure of control over insurance company expenses, and in many other ways. Failures in the insurance field are rare. On the whole the protection to the policy holder has been satisfactory.

Operates as Local Company

A NEW YORK insurance company doing business in Michigan must register in that state, make reserve premium deposits with the Michigan Insurance Commission and

This Message to members of NACM from the National Insurance Committee merits the careful study of every business executive.

If you agree with this Statement of Policy, please act at once upon the suggestion made in the last paragraphs.

in fact become a Michigan controlled corporation as respects business transacted in the State of Michigan. For all practical purposes the New York company in relation to its Michigan policy holders, assumes the role of a Michigan corporation and its premium rates are regulated by the Michigan Insurance Commission. It is to be noted that the conditions precedent to insurance companies doing business in a state other than that of incorporation are much more exacting than the qualifying laws applicable to the average industrial or trading company doing business outside its state of incorporation.

Scandals in the insurance business have been the exception. In addition, most disclosures of irregularity or bad business ethics have served as the foundation for improved regulatory legislation and administration. The policy holder or the customer in this particular business has always benefited from exposures of inequities, bad practices or unethical operations, for prompt remedial action and preventative and protective measures have been enacted after each discovery of wrongdoing or bad practice. The men in the insurance division of a state administration on the

whole have been cooperative and the years of experience in these departments have qualified these public servants for the work they have efficiently performed.

Need for Legislation

FOR over half a century the insurance business basically has been as it is now. Not once, but time and again, the highest courts of the land and not one but scores of competent judicial bodies and judges have accepted the fact that insurance business is not interstate commerce. But that was yesterday. Today the same companies doing business in basically the same way are told they are engaged in interstate commerce. If insurance is interstate commerce then the insurance business is subject to federal regulation and anti-trust laws. Who said so? The Supreme Court of the United States in a four to three decision. Here then, by a minority of the highest court of our land (two judges not participating) one of the most far-reaching decisions this country has ever known breaks a precedent of years.

This decision, unless cured by immediate legislation, could liquidate years of wisdom and experience in the business of regulating insurance; of the maintenance of fair rate structures and of other developments borne out of the practical experience of the state authorities. This decision, if acted upon, could remove the control of the insurance companies and insurance business from the states to the Federal Government—a centralized government that has had little or no experience in this field.

Overnight, and despite the existence of a commonly accepted fact for over half a century, this—the insurance business—finds it may have to work under totally different public management. What is this business

NATIONAL INSURANCE COMMITTEE

1944 - 1945

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329 W. Main St.
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357 4th Ave.
New York 10, New York

that the Federal Government could control? It is a business that collects ten billion dollars a year in premiums, has assets of between 45 and 50 billions of dollars and reaches into every home in the land. It is a business that has paid out billions under its contractual obligations. This is a business which in the war years has invested heavily in the securities of your government. To be sure is not without its faults; it sometimes has poor public relations policies. Occasionally it has been arbitrary in its actions, but on the whole insurance has done an outstanding job and in terms of evaluation must be described as an unusually efficient operation, accomplishing its objective and fairly and honestly serving its purpose.

Cause for Discussion

THE decision itself must cause all business men to stop, look and listen. What reliance is there in law when a practice, legal for years, becomes or is apt to become illegal in the morning? What is the meaning of the constitution when it divides responsibility of our representative form of government into three distinct branches—Executive, Legislative and Judicial—only to find in practice one branch or another, by reaching over and assuming jurisdiction, assumes responsibilities the constitution has denied it? Is it not proper to go back and learn the intent of our Legislature when it enacts law and should not the objective and the intent of the law be kept in mind

when we interpret it? Was it ever argued that insurance would become subject to interpretation as constituting interstate commerce when these laws were being debated and discussed at the time of their enactment?

There is but one thing to do and do quickly; namely, by specific legislation directly eliminate the insurance business from any interstate commerce interpretation. We cannot take a chance on losing the valuable regulatory experience of the states; we cannot be in position for further centralized control of our lives; we cannot constantly yield states' rights if we would preserve our government and our way of life. The House of Representatives has passed the Bailey Walter bill which generally would accomplish the purpose of having insurance legislated not interstate commerce. This bill is now before the Senate. Delay in enactment gives the opportunity which may or may not be exercised for the establishment of an insurance bureaucracy in Washington such as could make other bureaus seem insignificant.

Our Interest in Insurance

WE as credit executives are not in the insurance business. We are not trying to pull the insurance company irons out of the fire. We have in the past not once but many times been critical of insurance company practices but such criticism has been constructive and has been not

only well received but, in a great many instances, has been favorably acted upon. Our interest transcends in importance the insurance business. We believe that it is in the nation's interest and consequently in the interest of every man, woman and child to see to it that insurance is maintained on a sound basis. We believe that can best be accomplished by those who have a record for doing it and that to launch a new regulatory or control body, probably inexperienced, would be not only costly but harmful. Beyond that, our members are generally opposed to any further encroachments upon states' rights, any further control of business by a centralized government. You as a citizen should express your views to your duly elected representatives.

The special sub-committee considering the insurance bill in the Senate, S. 1362, is made up of the following Senators:

Pat McCarran, Chairman, Nevada.
Homer Ferguson, Michigan.
Harlan J. Bushfield, South Dakota.
Joseph C. O'Mahoney, Wyoming.

The members of the full judiciary committee is composed of the following Senators:

Pat McCarran, Nevada, Chairman.
Carl A. Hatch, New Mexico.
Tom Connally, Texas.
Joseph C. O'Mahoney, Wyoming.
Albert B. Chandler, Kentucky.
Harley M. Kilgore, West Virginia.
Abe Burdock, Utah.
Ernest W. McFarland, Arizona.
Burton K. Wheeler, Montana.
Charles O. Andrews, Florida.
James O. Eastland, Mississippi.
John A. Danaher, Connecticut.
Alexander Wiley, Wisconsin.
William Langer, North Dakota.
Homer Ferguson, Michigan.
Chapman Revercomb, West Virginia.
Kenneth S. Wherry, Nebraska.
Harlan J. Bushfield, South Dakota.

The members of the National Association of Credit Men who agree with the policy as outlined above are urged to contact their Senators and express their opinions. It is especially desirable that members residing in the states having Senators on the Judiciary Committee and on the special sub-committee will contact those Senators as soon as possible, as it is expected that the Senate will take action on this bill early in September.

Reconversion And Credit

Some Problems to Be Faced in Postwar Era

By James E. Bullard
Special Writer

Haste in reconverting to civilian goods, when this war is over, promises to result in more individual errors and disasters than it did after the last one. This is a longer war, a larger one and has resulted in a greater restriction of the manufacture of peace time products. The tendency is bound to be to get back to normal peace time business just as soon as possible for the simple reason that those who are able to offer civilian products first, those products which have been off the market during war time, stand to do a larger volume of business and to make more money. The danger lies in going too fast.

After the last war, a man who had made money in war production surveyed the market and decided his facilities could be used best and most profitably in manufacturing farm tractors. He had engineers design a tractor with a number of new features. A few were manufactured for testing purposes and the tests made, indicated this to be one of if not the best farm tractors yet offered the farmers. Being in a hurry to get started, he conducted an extensive advertising campaign while tooling up his plant to manufacture. The tooling up took longer than he had anticipated. More and more production problems arose: Orders taken could not be filled on time and before the firm could be fully converted to tractor manufacture, the money was gone, the credit was nil and bankruptcy was the only course.

Danger of Credit Losses

THOSE who extended this man credit, at the start, because he was then in good financial condition but did not watch closely the course he was pursuing met with considerable credit losses. The haste to get started before competitors did had more than any other one thing to do with bringing about failure in this case.

There is scarcely a business or-

ganization of any kind in this country now which does not face some sort of reconversion problem after the war. Manufacturers will have to reconvert to the products they made before the war and, in many cases, add new products they never have manufactured before in order to utilize their increased capacity. This will require new tooling and perhaps a considerable change in the personnel. New distribution systems and organizations may have to be set up. Only the most careful planning and balancing of effort will prevent costly errors somewhere along the line.

From a credit point of view this is important though nothing is sold to the manufacturer. In the 1920s a buyer in a wholesale house was persuaded to start a firm of his own and take an exclusive agency for a certain brand of men's hosiery. The sale plan which the manufacturer had worked out looked exceedingly promising. Judging from that plan the agency would prove exceedingly lucrative. The difficulty in this case proved to be that the sales plan was too effective. Far more hosiery was sold than could be manufactured and delivered. The man who started the new firm to take over the agency lost all he put into it and went into bankruptcy.

Can They Meet Demand?

AFTER the last war there were a number of such cases. After this war the number is likely to be considerably larger. The public demand for such products as electric household appliances, radio sets, automobiles and the entire list of things which people have not been able to buy during the war because of restricted production or no production at all, will be enormous. New manufacturing concerns will

be started, new sales plans and distributing systems worked out. Haste will be apparent and due to this haste mistakes will be made. Some firms which have enjoyed first class credit ratings for years can get mixed up with some new organizations with disastrous financial results. Other firms may move too slowly to keep up with the competition.

The most efficient and successful distribution systems usually are those which have been built up so gradually that any mistakes can be corrected before they do much if any harm. Those built in haste are too often inefficient and costly for the simple reason time has not been taken to test them before they grow too large.

A manufacturer who had an extremely efficient and smoothly operating distribution organization before the war, one which was different in a number of respects from that any competitor of his was using, was asked how long it had taken to develop the distribution organization to its then present state of efficiency. He answered it had required forty years.

Beware of Rapid Growth

THREE men who started a retail business and sold on a strictly cash basis expected no difficulties in financing because they had enough money between them to start the business and the cash basis and the extremely high rate of turnover their plans called for would take care of the future. Yet, during the first ten years of the business there were times when there was doubt whether they could keep out of bankruptcy. The business grew so rapidly and the cost of expanding the facilities totaled so much that financing became a very serious problem. Had not one of the partners devoted virtually all his attention to this phase, it is unlikely they could have remained in business and made the great success they finally did.

In this case those creditors who

continued to have faith in the ability of these three men to succeed and stretched a point in continuing to extend credit laid the foundation for a greatly increased volume of future business from this firm. Of the various competitors of this firm, however, those which tried to adopt its original ideas and make them their own, only one survived. The others either went out of business while something could be saved or continued on until they were forced into bankruptcy. There was a striking example here that young men who start out with an original idea and make it work, even though it works so well as to exert a dangerous strain upon the capital available, are better credit risks than are those who start out to imitate them. In other words, the business plan and how it works in practice is of real importance when considering the degree of credit risk.

A Flood of New Businesses

IT can be expected that after this war millions of young men will start in business. Some of them will work out original and extremely effective plans. Some of those with good plans, however, will not be able to make them work satisfactorily in practice. Others with plans not nearly as good or original will succeed. The business backgrounds of these men, the type of business organizations they form and other things will indicate how well any given new concern will succeed.

The three men already mentioned had worked for another man who once did a successful retail business along much the same lines these men proceeded. However, he had made certain mistakes which they avoided. Their past experience had prepared them to succeed. In addition the manner in which they organized the work each would do helped. One looked after the financial end of the business, another the buying and the third the selling. Their past experience and their organization carried them through to real success, a success so great that now years after the death of these men, the business is still growing and prospering.

New plans and ideas have to be weighed with a great deal of wisdom and care to determine how successful they may prove to be in practice and in addition the man or men who

are to carry out the plans and to apply the ideas have to be considered. There were a good many years during which not all credit men, by any means, thought Henry Ford was a good credit risk. His ideas and plans seemed too radical to be practical. Cautious dealers sold other cars rather than Fords.

He Turned Down Ford

THE oldest automobile dealer in a city of a little over 10,000 population explained that when he and his partner decided to sell cars, they surveyed the entire field with care. Finally they reduced the list down to the Ford Motor Co., and another manufacturer. They decided the chances of Ford remaining in business were not good and, accordingly, selected the other car to sell. After a comparatively few years, the other manufacturer went out of business. "How much more money we would have made," the partner who was being interviewed, said: "In those days you could get a much better proposition than you can now."

There is good reason to believe that one of the most difficult problems of credit granting after this war is going to be to judge who will succeed and who will fail. There is little reason to believe the initial capital of a new concern will count for so much as the plan of procedure the owners of the new firms have determined upon and their ability to carry them out. It is difficult to find a successful business firm of any kind which has prospered since it was founded, never has been in bankruptcy, has continued to grow in size and after fifty years of existence is strong financially; which was not started with very limited capital. Lack of sufficient capital forces young business men to work harder, plan better, manage more efficiently and watch each cent more closely, if they are to remain in business. Past experience, willingness to work, natural intelligence and demonstrated business ability, certainly count for far more than financial backing.

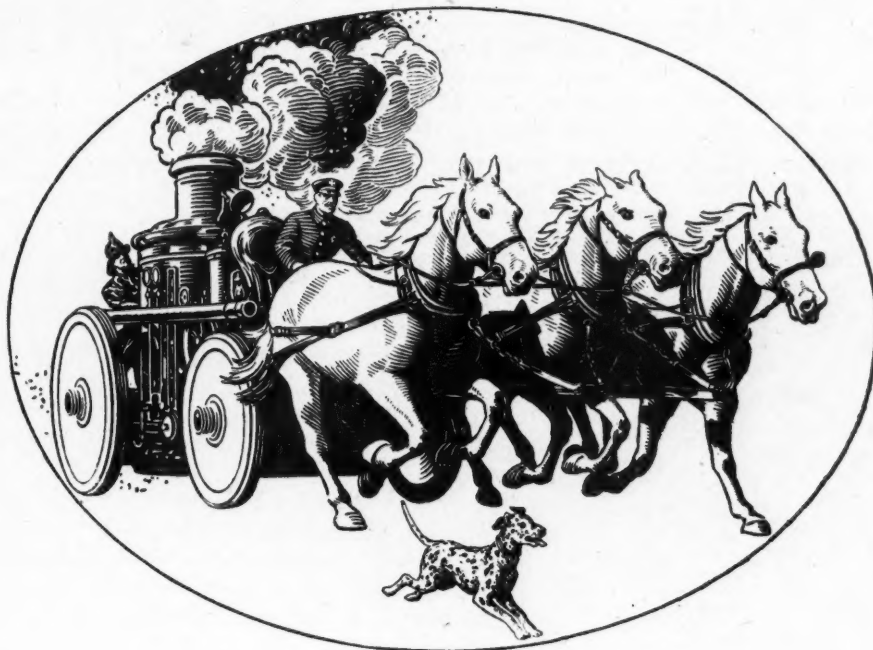
Small Business Seems the Answer

AFTER all, government projects are more amply financed than any private enterprise can be. Yet the best management, the highest efficiency and the greatest progres-

siveness are not outstanding characteristics of government projects.

It does not appear that we can have real prosperity and jobs for everybody after this war unless millions of small, new business concerns are started. Too many new things have to be done, too many ideas must be tried out which large established business concerns cannot do as well. The older and larger any business concern becomes the more standardized it naturally becomes. Yet, to prosper after peace returns a multitude of new products must be manufactured, placed on the market and sold to consumers or users. New methods of distribution will have to be tried out. Experiments in employer - employee relationships will have to be made. Ways and means will have to be found for increasing the production per manhour in every field of human effort. There is a tremendous amount to do that old, large standardized business concerns cannot possibly do. It can be done if millions of young men possessing real ability, having sufficient experience, optimism and energy, start businesses of their own. In some cases their competition may make it difficult for some of the older and more conservative firms in their fields but if we are to progress there must be injected into the business field all this young blood. There always is the danger, in the case of firms that grow old, that the management will become asthenic.

A man in his sixties who is related by blood or marriage to those who control a number of very old and large manufacturing concerns, who has had experience as a member of committees or bureaus in Washington during war times, who has served as vice-president of at least one well known firm but who has been able to retain his perspective, reviewed the history of some of the concerns he knew most intimately. He told how some of them were losing ground because new, young blood was not taken into the management. He spoke of others which had been saved by such introduction of new young blood. He had facts which demonstrated it was essential to any business enterprise, if it is to survive, grow and prosper that enterprising men with new ideas be given an opportunity to try them out, that the business be kept young through the injecting into it of young blood and enterprise.



THEY WERE GOOD IN THEIR DAY

FEW of the present generation can recall seeing the noble, dashing beasts that tore madly down the street to the clanging of bells and shrieking of whistles. They drew the admiration of young and old. They were good in their day, but they live only in memory.

Buildings grew in stature, cities expanded in area and an automotive world gradually out-moded the horse-drawn fire engine.

Insurance, too, has kept pace with progress. The standard Fire Insurance policy was good in its day, but the increasing complexities of modern living required changes and improvements.

Today, not only does Fire Insurance provide greater protection than ever before, but at far less cost than a generation ago. In nearly all states, Fire Insurance Policies now include coverage both on and off the premises. They may also be extended to cover in addition to fire, the hazards of windstorm, tornado, hurricane, explosion, hail, riot, smoke, vehicle and aircraft damage.

To the banking and credit business, this is of utmost importance. By making sure that your clients have modern, *broad* insurance protection in *adequate* amounts, invested funds will be properly safeguarded.



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WHAT is true of individual business concerns, of course, is true, to an even greater degree, of business as a whole. The standard of living in these United States is higher than in any other nation in the world largely because here to a greater degree than anywhere else young men with new ideas have been allowed more freedom to go into business and try out those ideas. Not so much has been done here to protect the old and large concern against the competition of new and small ones.

Probably no one has more to do with the eventual success or failure of a new enterprise than the credit executive. A young man who showed marked ability in every other respect was totally lacking in appreciation of the importance of records, of accurate cost accounting. His largest creditor offered him the choice between going out of business by way of bankruptcy or keeping complete and accurate cost records. He chose the records and prospered. It was this credit analyst who changed him from a business failure to a business success.

A man who demonstrated he could sell a lot of automobiles but who was not especially good in handling the financial end of his business submitted to having his creditors place a competent man in charge of finances. It was not long before this man was operating the largest automobile sales and service business in his city.

A man who made money in business when his credit was so bad, because of lack of capital, that he had to pay cash for all he bought, failed after he was in such good financial condition his credit was accepted. In this case credit analysts brought about his ruin. Had they given more attention to his character, to his good points and his weak ones, they would have adjusted downward the acceptance of his credit and demanded changes in his business practice, which would have been effective in keeping him in business and prosperous. Incidentally, in that case his creditors would not have lost the money they did when he went through bankruptcy.

Assistants Should Know Job

A MAN who had been a wholesale salesman for many years went into the mail order business and lost all the money he put into it. However, he learned a lot from his experi-

Reconversion to Start Aug. 15th

At a meeting of military leaders, WPB and manpower authorities, the date for the initial changeover to basic peace production has been set for August 15th. This plan includes: (1) release of aluminum and magnesium (2) permission to make experimental models (3) Orders for machine tools for delivery (4) extension of power of WPB officials to further release civic production in certain areas.

ence. Talks with his creditors convinced him that if he were able to have associated with him men who had the needed experience and ability in each department of a new business he hoped to start, he could succeed. He gathered about him the most capable men he could find for the managing of each department. In a very short time this new firm had grown to be the largest and the most prosperous of its kind in his state.

Credit men have an advantage over all other business advisers. The debtor has to listen to the creditor. Pressure can be brought to bear to lead him to make the changes which are necessary if he is to succeed. This means that credit men can lead to success many a new firm which would fail without the guidance of the credit man. This fact is demonstrated by those concerns which have steadily grown in size and prosperity because they have succeeded in making real business successes of potential failures. They have based the credit they would accept from their customers, especially to young men just starting in business, upon the manner in which they laid their course toward success and the willingness with which they accepted and applied sound advice. The financial backing of these new business men has not been given the consideration that the manner in which they have conducted their businesses has.

To a much greater degree than is likely to be realized the degree to which the small new enterprises which are started after this war succeed will depend upon the credit men. Those new business men who find themselves under the tutelage of wise and experienced credit men, who are anxious to do everything within their

power to help them succeed will be fortunate, indeed, because of the success they are going to make on that account. Those who do not enjoy such advantages will be far less fortunate and more of them, certainly, will fail.

Capital Only One of "C's"

A YOUNG man financially backed by his father was considered a good credit risk. More credit than he could use was offered him. After he was forced into bankruptcy it took him years to get a good start again. Yet, had the credit men of the wholesale houses from which he bought taken a real interest in helping him to succeed, there are good reasons to believe his business would have prospered and grown and there would have been no credit losses. This was a case where not enough importance was placed upon knowing costs and where creditors were not interested in the profits and loss of the business as long as they could collect what was due him.

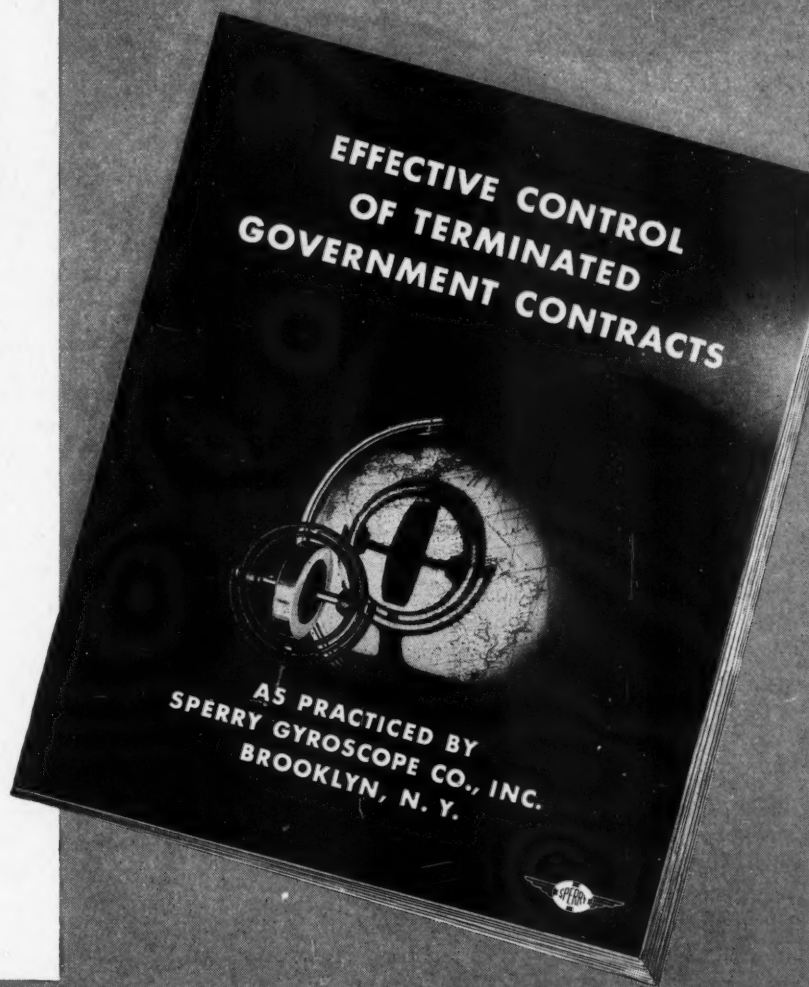
When more money is lost in business enterprises than is made, there is not a desired degree of overall prosperity. Since, there is good reason to believe the credit man is in a better position to lead new business enterprises along the path to prosperity than anybody else is, it follows that credit men can make a tremendous contribution to postwar prosperity. The job is likely to be a difficult one because there is good reason to believe there will be a larger number of new business enterprises started than ever before. There is evidence that many new business firms which, normally, would have been started between 1930 and 1940 were not started because those who would have started them did not consider conditions sufficiently favorable. The war has prevented the starting of new civilian enterprises. This means that for fourteen years there has been a storing up of potential new business concerns. The research which has been done in connection with the war will give rise to new enterprises which, under normal conditions, would not have been started till some years later. All this leads to the conclusion that credit men are going to have a larger and tougher job on their hands than they ever have before. The manner in which the job is done will be reflected in the prosperity we enjoy.

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THE Effective Control of Terminated Government Contracts is a matter of primary importance to the manufacturer or other supplier in these days of business transition. Through the courtesy of officials of the Sperry Gyroscope Company, Inc., we are able to offer you a most helpful brochure on this subject. In this brochure are described in detail the outstandingly successful methods and routines used

by Sperry in negotiating settlement on terminated government contracts. We will gladly send a copy of this booklet to you and to any other company executives you may designate. Details of systems used by other organizations covering progress and preparation of claims, and systems for expediting disposal of surplus stocks, are also available free of charge. Write, phone or wire nearest Branch Office.



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22 Books That Merit Your Attention

A Recommended List for the Busy Executive

C A number of readers of *When The Credit Man Becomes A Personnel Officer* (April 1944 issue of *Credit & Financial Management*) have requested a recommended list of books. Some of the inquiries were directed toward books about human relations and personnel problems; others concerned books to broaden one's outlook in a troubled world. The list here proposed is based upon both kinds of demand and listed in alphabetical order of the fields covered.

While it is a pleasure to utter pronouncements about books, or even cabbages and kings, it is also a grave responsibility. So before the recommendations are made, it is well to have an understanding of the criterion on which such recommendations are based. The books here recommended are only a few of many equally valuable works—old and proved friends of the writer who finds himself returning to them time and again. The reader will be kind enough to bear in mind that they are simply some of the writers' preferences selected with no ulterior motive in mind except to share some profitable reading experience. Since the majority of the inquiries asked for a short list, the selection has been limited to one or two books for each field of interest discussed.

ADMINISTRATION: *Personnel Administration, Its Principles & Practice* by Ordway Tead & Henry C. Metcalf (McGraw-Hill Book Co., 330 W. 42nd St. New York, N. Y.). A standard work on the subject, now in its third edition, it gives a cover-all picture including chapters devoted to The Personnel Department, Employment Methods, Health & Safety, Education, Research, Rewards, Administrative Correlation, and Joint Relations. Useful for study and as a reference.

ANTHROPOLOGY: *Anthropology And Modern Life* by Franz

Dr. James F. Bender
Director, The National Institute for Human Relations

Boas (W. W. Norton and Co., 70 Fifth Avenue, New York, N. Y.). Problems of race, nationalism, eugenics, education, and criminology are discussed by America's most distinguished anthropologist in such a way that the layman is presented with a clear and interesting explanation of a field of learning that has important implications for the business man and leader of his community.

ART: *The Spirit and Substance Of Art* by Louis Flaccus (F. S. Crofts and Co., 101 Fifth Avenue, New York, N. Y.). The theory, underlying principles, and techniques of art forms are presented against a background of the world's most outstanding artists. The discerning reader will discover that much that the author has to offer can be applied by the layman in furnishing an office, selecting stationery, or buying a picture for the living room. Beyond that, it's fascinating reading.

CROWD PSYCHOLOGY: *The Behavior of Crowds* by Everett Dean Martin (W. W. Norton & Co., 70 Fifth Avenue, New York, N. Y.). The author, a leader in the field of adult education and a famous conductor of forums, describes national peculiarities in light of the "crowd mind." Ably written, this book brings to the layman an understanding of how the individual must guard against some of the influences of "the herd."

ECONOMICS: *Economics For Everybody From The Pyramids To The Sit-Down Strike* by Mervyn Crobaugh (W. Morrow & Co., 386 Fourth Avenue, New York, N. Y.). Here in one volume is presented a panorama of what used to be known as "the dismal science." The "schools" and "isms" of economics are presented for the layman's consideration.

A good book to help build economic perspective in a topsy-turvy world.

HISTORY: *The Epic Of America* by James Truslow Adams (Little, Brown & Co., Boston). The recent study conducted by The New York Times revealed an alarming ignorance on the part of even educated Americans about the history of their own country. Mr. Adams, who writes sound history like a first-rate novelist, presents not only the facts but leaves the reader with some worthy inspirations about his own country.

INTERVIEWING: *How To Interview* by Walter Van Dyck Bingham & Bruce Victor Moore (Harper & Brothers, 49 East 33rd Street, New York, N. Y.). This is the standard work on interviewing, written in textbook fashion. Experimental evidence is presented along with suggestions—in great detail—on the art and science of interviewing. Not recommended for pleasure, but highly recommended for instruction. When we pause to think that the interview is probably the most frequently used type of formal speech and that training in it is all too often neglected, we can well afford to study a book of this kind.

LEADERSHIP: *The Art Of Leadership* by Ordway Tead (McGraw-Hill Book Co., 330 West 42nd Street, New York, N. Y.). Defining leadership as "the process of securing the cooperation of a group in working toward a goal that they accept as desirable," the author says many helpful things to the business man and others. It is one of the few books that really defines this vague word "leadership."

LETTER-WRITING: *The Business Letter-Writer's Manual* by Charles Edgar Buck (George H. Doran & Co., 14 West 49th Street, New York, N. Y.) is one of the old reliables that has gone through at least six editions. Here is a veritable storehouse of *do's* and *don'ts* in letter-

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writing practice. Useful for brushing up on correct practices, it is also a good book to put in the way of your secretary.

PERSONALITY DEVELOPMENT: *How To Develop Your Personality* by Sadie Meyers Shellow (Harper & Brothers, 49 East 33rd Street, New York, N. Y.). Not only interesting reading but containing helpful suggestions based on research work, this book had a steady and deserving sale since 1937. It describes the psychological goldbricks as well as the scientific materials on which personality is judged and rehabilitated.

PHILOSOPHY: *Mansions of Philosophy* by Will Durant (Simon & Schuster 120 Sixth Avenue, New York, N. Y.). An able presentation of the field of philosophy with a practical slant. Here one may obtain an enriched point of view in regard to philosophy and its relations to a wide variety of problems, such as changing morals, love, marriage, and the reconstruction of character.

POLITICAL SCIENCE: *History Of Political Thought* by Raymond G. Gettell (The Century Co., 35 West 32nd Street, New York, & London). Political theories and institutions together with the chief political thinkers are discussed in chronological order with many incidental but penetrating observations about science, religion, and economics. A good companion volume to Crobaugh's book.

PRONUNCIATION: *The NBC Handbook Of Pronunciation* published by The Thomas Y. Crowell Co., (432 Fourth Avenue, New York, N. Y.). One recommended pronunciation is given for each of more than 12,000 words many of which are common pronunciation-demons. The standard is General American, the dialect spoken by more than 90,000,000 Americans and Canadians. This book was reviewed in the November 1943 issue of *Credit and Financial Management*.

PUBLIC SPEAKING: *Effective Speaking For Every Occasion* by Willard Hayes Yeager (Prentice-Hall, Inc., 70 Fifth Avenue, New York, N. Y.). An advanced text on a most important subject for credit men and others in public life. Not only are the essential principles of public speaking presented but in addition more than sixty speeches,

which illustrate the application of those principles to specific occasions, are included. Valuable for those of us who wish to improve our control of audiences.

QUOTATIONS: *Thoughts On The Business Of Life*, edited by B. C. Forbes (B. C. Forbes Publishing Co., 120 Fifth Avenue, New York, N. Y.). A collection of 639 maxims and inspirational observations derived from the classics and from the speeches and writings of contemporary leaders, especially of the business world. Containing 182 pages, it makes a handy reference and a convenient book for reading on the train. It is also useful in locating apt illustrations when preparing a speech or writing an article.

READING HABITS: *Intelligent Reading* by Edward A. Tenney (F. S. Crofts & Co., 101 Fifth Avenue, New York, N. Y.). This book teaches us how to get the most out of the printed page. Many of us are likely to fall into slovenly reading habits—to lose speed and efficiency. Here is an antidote for such bad habits. By following many of the suggestions contained in this book, the present writer has improved his reading ability to a surprising extent. A kind of testimonial recommendation.

RELIGION: *The Bible, Designed To Be Read As Living Literature*, edited by Ernest Sutherland Bates (Simon & Schuster, 1230 Sixth Avenue, New York, N. Y.). This is a thoroughly enjoyable book to read as literature because the contents are arranged in continuity and printed in large type. The spelling and punctuation are modernized; and prose passages are printed as prose, verse as verse, drama as drama, and letters as letters. Genealogies and repetitions are omitted as well as the minor Epistles and similar unimportant passages throughout. While it is not recommended as a substitute for the regular King James or the Douay Versions, it is an excellent work to have at hand as inspirational and living literature. The Bible, because it treats of all sorts of human problems, is a basic work on human relations.

In this category we would also recommend *This Believing WORLD* by Lewis Browne (Macmillan Co., 60 Fifth Avenue, New York, N. Y.) who describes the origin, meaning, and development of all the important

modern religions. The contents of this book help one to become internationally-minded and tolerant of religious beliefs that differ from our own.

SCIENCE: *A Short History of Science* by W. T. Sedgwick & H. W. Taylor (Macmillan Co., 60 Fifth Avenue, New York, N. Y.). Because science plays such a significant role in modern life there is every reason for the layman to study its contribution to the development of the civilization in which he works and plays. In this book the origin, meaning, and development of all the sciences are portrayed in a way that holds the reader's interest.

SELF-ANALYSIS: *The Use Of The Self* by F. Matthias Alexander (E. P. Dutton Co., 300 Fourth Avenue, New York, N. Y.) is a small book of great merit because the author describes how he worked out over a period of years a method whereby he transformed his *use of himself*. If good human relations are to begin with the individual, then this book may be invaluable to the person seeking a keener insight into what he can do for himself through self-study. With some intelligent probing, each one of us can do much in the way of self-improvement.

In this category also belongs *About Ourselves* by Harry A. Overstreet (W. W. Norton & Co., Inc., 70 Fifth Avenue, New York, N. Y.). Written in a delightful style, this book presents the fundamentals of personal psychology for the layman. It discusses the common mechanisms of mental and emotional life and helps the reader to appreciate why we behave as we do.

STUDY HABITS: *How To Use Your Mind* by Harry Dexter Kitson (J. B. Lippincott Co., 521 Fifth Avenue, New York, N. Y.). Written as a text for college students some years ago, it is still useful to them as well as to other mature readers who wish to learn to become efficient in study habits. In these days when the pressure of the job and world events make the saving of time a necessity, this book can be studied with profit. Once its principles are applied, time is available for other things.

The reading and study of these 22 books would make a good self-conducted course of improvement. If a daily schedule of reading is followed, these 22 books should last a year

Postwar Pitfalls in Retail Merchandising

(Continued from page 12)

have been held in check better than during the last World War. Among the unfavorable factors, the pitfalls, are extremely intense competition in many forms; narrower profit margins; problems of untrained personnel and those relating to the carry-over and markdown of war quality merchandise. We must also not overlook the temporary unsettlement during the industrial reconversion period and the fact that even afterwards conditions are likely to be spotty, very good in some localities and very poor in others.

What To Do About It?

NOW that we have examined the picture to some extent the question very naturally arises in our minds—"What can the men's wear retailer do about all of this? Where should he begin and how?" I believe it is possible for us to make some suggestions and to illustrate them with some examples of what is actually taking place.

In Ohio there is a chain of hardware stores by the name of Cussins & Fearn Company. Presently this organization is operating in 22 cities. Like any other hardware firm, this organization has been through some rather trying times. But Cussins & Fearn are doing some bold, forward thinking. They are not going to be satisfied merely to rebuild their former business. They are planning a definite expansion. They intend to modernize their existing stores and open others in 28 additional cities. And they are not simply marking time until the opportune moment to make their moves. This firm has produced a very attractive folder in which they tell about themselves and their postwar plans. The folder carries illustrations of typical Cussins & Fearn stores and of their catalog (they also do a certain amount of mail order business). Their new general office building is shown. This folder was mailed to 6,907 manufacturers whom they consider potential sources of supply in the postwar period. They invited these sources to tell them about the new products they are planning and what sort of deliveries would be made and

Are You Doing *Financial* Postwar Planning?

Will you actually have the needed cash for reconversion?

MANY manufacturers . . . including some whose working capital position is the best in their history . . . are going to find themselves short of ready cash before income from civilian production is flowing in.

They're going to need cash to reconvert or rebuild plants, tools, equipment . . . buy supplies and materials . . . meet payrolls, taxes, sales and advertising expenses. It's going to be a real problem—money flowing out week after week . . . flowing out faster than wartime assets may become liquid . . . and with no income from sales for many months, perhaps a year or more.

Plan Your Cash Requirements Now

It's not safe to *assume* that you'll have all the cash you'll need when your green light comes. Give your reconversion financial requirements the same advanced thinking and *planning* you've given production and merchandising. Plan *now* what cash you will need during your transition period. Plan *now* at what points on the road you will need it. Decide *now* what cash you can be *absolutely certain* of having *on time* from your own working capital. Plan *now* where the balance is coming from. Then you'll *know* you'll be able to operate successfully till your product reaches the market and brings you returns.

Over A Billion Advanced Since Pearl Harbor

Farsighted manufacturers, including some of the biggest, have done just such intelligent financial *planning*. They've *planned* for the outside cash they may need, when and if they need it. Since Pearl Harbor, Commercial Credit has advanced more than one billion dollars to manufacturers and wholesalers. *And Commercial Credit is equipped and ready to exceed that record in the coming transition to civilian production.*

A Commercial Credit representative will be glad to sit down with you and help you analyze *your* financial reconversion needs . . . and plan for them. He will explain how Commercial Credit is equipped to lend thousands or millions for any sound business need . . . to finance reconversion . . . to give your business more working capital . . . to make tax or renegotiation payments . . . to buy other companies, etc. Address your inquiry to Mr. F. M. Nicodemus, Vice-President, Commercial Credit Company, Baltimore 2, Maryland. You will receive prompt attention.

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so on. Cussins & Fearn also made a move in another direction. They mailed their financial statement to every bank in every one of the 50 cities in which they expect to be located after the war so that they would be known to these banks. Thus if their landlord finds it necessary to borrow money to do some remodeling to make a location available to Cussins & Fearn, he is much more likely to receive a favorable reception of his proposal if the bank knows that Cussins & Fearn is the concern that will step into the picture. Surely here is another instance of sound thinking and courageous planning—and that is exactly what the men's wear retailer must do also.

The Source Of Payrolls

THE greatest responsibility for sound postwar planning rests with the manufacturer. When he plans boldly, spends money in support of his plans and starts production, the wheels of industry and commerce start moving. Payrolls mount and as this happens the wage earning consumers become more confident of their jobs, and they will spend freely of their savings and earnings. This in turn will stimulate retail demands and then the retailers' orders to the manufacturers will grow, compelling the manufacturer to maintain and eventually to increase his production. Thus you can see that the vicious circle of depression can readily be reversed into a spiral of ever increasing prosperity. The retail merchant's part of the picture is to do his own postwar planning and thinking so that he may be ready to participate in this upward spiral—so that he may generate his share of confidence, and after all retail merchants and their employees are no small segment of our economic life when taken as a whole. Moreover, having no reconversion problems, the retailers are in an especially favorable position to expand rapidly and thereby aid in the quick return to peacetime prosperity.

So there are things that can be done to meet and solve this maze of problems that seem to lie ahead. Right now the retail merchant should be busy. If he has not already done so, he should join with other retailers in his community to undertake a survey such as is sponsored by the CED to determine the present and probable postwar position of his com-

munity. It will help him draw sound conclusions as to when whatever war activity is now carried on in his community will end and when normal peacetime civilian production may likely resume.

Picture His Situation

HE will have a better picture of the effect of the war on the population of his community, of his backlog of consumer demand in terms of specific types of merchandise, of the postwar employment prospects, etc. Next he should examine his own place in the picture, in the light of what the community survey has revealed. He should consider the adequacy of his facilities, his finances, his personnel and his sources of supply to meet his postwar problems. And he must make the necessary plans to meet any shortcomings. He should keep an open mind about new products and he should re-examine his customer re-

lations, many of which have been sadly neglected, and in some cases even abused, during the war period.

From all of this it seems to me that one conclusion is inescapable. The postwar period is going to place a premium on good management on the part of men's wear retailers as never before. The third C of credit—namely, CAPACITY—will become of paramount importance, for the men's wear retailers' success will depend upon his ability to anticipate changes and to adapt his business to meet them in time. He must be more alert, better informed, keep closer to his business and work harder than ever before. That I believe will go for us credit men and women also, for, as I said at the beginning, out of our customers' problems will come ours and to the extent that we understand them and can be of some help in solving them, to that extent we may also solve our own.

George Committee Offers 14 Points in Demobilization Plan

IN its report to the Senate, the Post-War Committee headed by Senator Walter F. George, of Georgia, recommends that the post-war problems facing the United States be turned over to an "Office of Demobilization" to be set up at once "to direct and coordinate the activities of all government agencies dealing with demobilization." The report also recommends action on 14 other obligations facing Congress which are listed in the report as follows:

1. Prompt termination of war contracts and the clearing of war plants of present inventories to make way for peacetime production.
2. Orderly disposal of surplus war property.
3. Unemployment compensation to absorb the individual economic shocks that will come with mass conversions. The committee will report on this separately soon.
4. Construction projects for which necessary materials must be made available immediately upon the cessation of war.

5. Residential construction, upon which a later report will be made with recommendations to stimulate home building programs and increase employment.

6. Migration and restraining of war workers, with steps taken to avoid a "freezing" of excess labor in war-boom areas.

7. Price controls and rationing, with studies to determine which restrictions should be retained, and for how long, after the war.

8. A post-war budget to eliminate unnecessary expenditures, and provision for a yardstick beside which to lay all proposed expenditures and taxes so that an over-all picture may be obtained.

9. Refinancing of Treasury obligations, concededly an "immense" problem to which "too careful consideration cannot be given."

10. Post-war taxation, involving such problems as how much can be taxed away from the purchasing power of low-income groups, what revisions must be made in corporate levies to make ownership and equity

investment attractive, and what taxes can do to provide an impetus to greater production and use of producers' goods. Stimulation of equity investment.

11. Expansion of foreign trade.

12. Prevention of monopolies and trade barriers, with the States being urged to examine such practices that lie beyond the reach of the Federal Government.

13. Limitations in the Congressional delegation of powers to the executive branch, with probably a joint committee, with an adequate technical and legal staff, to uncover abuses.

14. Elimination of the overlapping functions of government.

This, the committee asserted, was the role of Congress. It declared also that the Government also had a role in solving the problems.

One of the recommendations made by James F. Byrnes, Director of War Mobilization, in his testimony before the George Committee was for immediate release of machine tool orders so that American manufacturers could prepare now for peacetime production. Mr. Byrnes also recommended:

That States be induced to liberalize their unemployment compensation laws by providing Federal funds if necessary during the conversion period. The George committee is still studying this program, and the pending bill leaves blank the amounts of compensation and the number of weeks such benefits should run.

Provision for the transportation of migratory workers in war industries back to their homes, a plan which is expected to be inserted in the George-Murray bill.

Unemployment compensation coverage for Federal industrial workers.

Extension of the authority and lending powers of the Smaller War Plants Corporation.

Early enactment of legislation, now being studied, to define policies for the disposal of surplus war property.

Immediate work on a post-war tax bill so war taxation can be ended promptly at the termination of hostilities. Such a program, the George Committee pointed out, would have to be written without knowledge of what the national income will be, but predicted that if it stimulated investment and purchasing power, rates would be lowered drastically.



SWEAT . . .



BLOOD . . .



TEARS . .

must not be shed in vain

Wasted are sweat, blood and tears without the tangible products of industrial might. From production will come victory today . . . a more abundant life tomorrow. We in America have built the world's greatest industrial capacity . . . and we must guard it well. Insurance, in supplying this protection, is shielding America's most vital asset for peace or war.

Your U. S. F. & G. agent is familiar with wartime insurance problems, business and personal. For your protection, get in touch with him today; you'll find him listed in your 'phone book.

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as you would your doctor or lawyer"***

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HOME OFFICES: BALTIMORE

Detroit Manufacturer Offers Plan for End-of-War Severance Pay

IN an address before a meeting of industrialists in New York early in June Col. Willard F. Rockwell, chairman of the board of the Timken-Detroit Axle Co., presented an unemployment compensation plan which would provide for severance pay for those now employed in war production. The following is an outline of Col. Rockwell's plan:

"This program is presented as a contribution to post-war planning. It is designed to promote a measure of security for both labor and industry in the economic upheaval that will follow contract terminations.

"Industry has already experienced 'cut-backs' or readjustments in the war production program. The disruptions these produce are indicative. Probably sooner than is realized, readjustments will become everyday practice as military requirements diminish. The period between a whole or substantial cancellation of war contracts and the resumption of production for civilian use is fraught with danger for both labor and industry. Millions of employees will be thrown out of work for varying periods of time.

"Under the present method of excess profit controls, it is made exceedingly difficult to establish reserves for maintenance of employment during the period of reconversion. Nor has there been any practical provision set up to enable industry to absorb returning military personnel and at the same time continue to employ those now on the payroll.

"It is absolutely imperative that we recognize this problem and take some immediate steps if we are to avoid the disastrous consequences that must follow our failure to provide a workable solution before the actuality is upon both labor and industry.

"The following program is submitted with the thought that it is at least based upon considerations of practicality:

"1. Every company engaged in whole or substantial part with war production, be permitted to withhold

from 1943-1944 and 1945 gross income after taxes and normal profit, and before renegotiation, a sum up to the equal of one average week's wage or salary for each month of continuous employment of each person on the payroll, with a maximum total equal to 24 weeks' wage or salary for employees who have worked two years or more.

"2. Based upon the same formula, an equal sum to be withheld for each ex-employee now serving in the armed forces, with the same maximum and minimum withholdings operative.

"3. These funds shall be held by each company. A complete record of such withholdings, together with the record of each active employee, plus those serving in the armed forces, shall be sent to the Social Security Board. Payments out of the fund shall also be recorded with the Social Security Board. These records shall be available to the public.

"4. Disbursements of these funds to unemployed workers will start at the time of complete cancellation of war contracts. Or in the instance of graduated contract cancellations due to readjustments in the war production program, a joint labor-management committee in each plant shall determine the mutually satisfactory point at which disbursements shall start. In the case of ex-employees returning from the armed forces, payment shall start upon personal application of each ex-employee.

"5. Disbursements are to be made at a rate in conformity with the maximum and minimum established by state or federal governments for unemployment compensation, until

- (a) a job of comparable skill and compensation as last held shall be made available to each person entitled to these benefits, or
- (b) until such time as the total benefits accruing to each individual employee are completely disbursed, or
- (c) until other employment is ob-

tained by each person entitled to these benefits.

"6. At the end of two years after complete settlement of all terminated war contracts, all withheld funds not disbursed by the companies operating under this plan shall be paid to the federal government.

"In addition to the foregoing, and because it bears a definite relationship to the problems inherent in reconversion, the following recommendation is made:

"The Government shall appoint a joint board of labor leaders and qualified business experts to examine at once the present inventories of materials, commodities, semi- and finished goods and production facilities in the possession or control of each claimant agency and to recommend to the government immediate steps to readjust any production program, either up or down, where it is shown that threatening surpluses are clearly indicated. Such information can, if deemed advisable, be kept confidential. However, the admission by government officials of a minimum of \$50,000,000,000 surplus of raw materials and finished goods which will be on hand at the end of the war makes it evident that planning in advance of the time when such a condition can wreck whole industries must be started at once.

"Unless some such action as the foregoing is undertaken at once, there can be no assurance that the period of reconversion will not find either the national or state governments faced with mountainous unemployment compensation expenditures—expenditures so heavy in some instances that the financial structure of certain states may be imperiled.

"If, however, the remedy is attempted by means of added national taxation to implement present state unemployment compensation funds, the termination of contracts will find industry saddled with a continuing and intolerable burden. This plan provides a definite termination point for the accumulation of reserves for this use.

"This formula is presented as being equitable to all companies, large and small, and to the employees thereof, who have converted, in whole or in part, their normal production for peace to that of production for war."

WPB Orders Give First Releases for Reconversion

W On July 11 the following announcement made by the War Production Board authorized the first plans for reconversion to peacetime production:

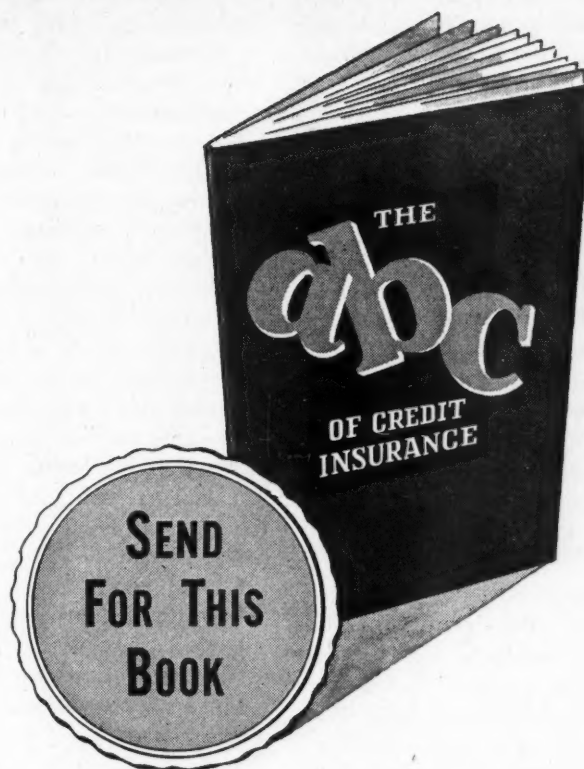
Executive Vice Chairman Charles E. Wilson of the War Production Board today announced the schedule for the issuance of the four orders designed to enable industry to prepare now for limited reconversion.

The issuance dates for these orders have been scheduled with the concurrence of Donald M. Nelson, WPB Chairman, who is convalescing at home from an attack of pneumonia. The schedule was set in order to give the War Manpower Commission more time to perfect its organization and administrative controls. The schedule calls for issuance of the orders in the following sequence:

1. On July 15 will be issued orders lifting some of the current restrictions on the use of aluminum and magnesium.

Since aluminum and magnesium are now generally speaking in easier supply, and their substitution for other metals may improve products and save manpower, it is proposed to remove restrictions on the use of these metals in making those end products which are already allowed to be made of other metals. Substitution of aluminum or magnesium, however, will not be allowed to increase the total production of end products. A manufacturer, who uses more than five hundred pounds of one of these metals per quarter as a substitute for other metals will be given only a deferred allotment under CMP, which would be subject to displacement by certified allotments. Allotments of aluminum for the production of pots and pans will be made under existing CMP procedures with the usual checks on expansion of production in tight labor areas. As soon as administrative controls by the War Manpower Commission become fully operative, additional restrictions on aluminum will be removed.

2. On July 22 an order will be issued permitting the making of the



*... to help head off Credit Losses
in the uncertain days ahead*

IF ever there was a time when manufacturers and wholesalers needed an understanding of "The A-B-C of Credit Insurance" ... *it is NOW!* Looking ahead, it seems certain that war industry's shutoffs, layoffs, and payoffs will jolt many a business ... may upset some of your customers ... shut off their ability to pay.

What companies will be hit? How hard? How soon? Nobody knows the answers to these questions. That's why American Credit Insurance can lift a load of worry ... and risk ... from your business through the many uncertainties that lie ahead.

American Credit Insurance **GUARANTEES PAYMENT** for goods shipped ... pays you when your customers can't ... keeps you from worrying and waiting indefinitely for settlement ... puts a definite cash value on your accounts receivable.

Let us give you more information. Write today for a copy of "The A-B-C of Credit Insurance," American Credit Indemnity Co. of N.Y., Dept. 47, First National Bank Building, Baltimore 2, Md.

J. F. Fadden
President



**American
Credit Insurance**
*Pays You When
Your Customers Can't*

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minimum number of models necessary for strictly experimental purposes. It will not allow samples for sales promotion. Every person proposing to make experimental models would have to file with WPB a formal pledge that he would not permit such activity to interfere with war production or essential civilian production. If the proposed expenditure for any model for any month exceeds \$5,000, the specific approval of WPB and the War Manpower Commission would be required. Materials to make experimental models will be available on a AA-3 rating.

3. On July 29 will be issued an order permitting the placing of unrated orders for machine tools and equipment.

This regulation will (a) permit the placing of unrated orders after WPB has investigated to make sure that suitable existing equipment (from surplus stocks or otherwise) is not available; (b) permit the filling of unrated orders on machine tools and equipment, but only to the extent that this can be done without interference with rated orders and with available manpower facilities and material, and (c) assign low ratings for machine tools and equipment needed for resumption of civilian production, but only in those cases where the WPB Requirements Committee has definitely programmed such future production, or in exceptional cases where the equipment requires an especially long time to produce and where it does not interfere with war production.

4. On Aug. 15 will be issued an order, which will set up procedures by which individual manufacturers who have facilities and manpower not needed for the war effort, and where the material is available, could get permission through the War Production Board field office to make civilian articles not now allowed, or to exceed present limits on the quantities of articles whose production at present is permitted.

The revised schedule of issuance dates for these orders was agreed upon after extensive review to assure safeguards that would be needed to prevent any possibility of interference with military production.

In his statement of June 18 Mr. Nelson emphasized the fact that the next three months would in some ways be the most critical the country

has yet faced in war production, with an increased need for on-schedule production and manpower shortage which is causing some of the most critical programs to lag behind schedule. At that time he said:

"This obviously means there can be precious little in the way of expanded civilian production in the immediate future. But in the interest of war production itself, and for the protection of the entire economy, it nevertheless is essential to prepare now for the return to civilian production. Just as industrial preparations for war had to be started long before large-scale fighting began, so also the industrial preparations for peace must be begun in plenty of time before the fighting ends."

At a special meeting of the War Production Board today, the schedule for these orders was discussed at length with all the agencies represented on the Board, including the War Department, the Navy Department, the Maritime Commission and the War Manpower Commission. It was determined that the issuance of these orders as scheduled will permit industry to make preparations for limited reconversion without jeopardizing military production schedules, which as to many important munitions items must be immediately increased to meet requirements for enlarged military activity in all theatres of war.

Manufacturers who have sufficient free manpower and facilities available to resume civilian production after the War Production Board issues its so-called "spot authorization regulation, now slated for Aug. 15, may find that WPB will require them to produce one or more items from a list of about 125 articles deemed necessary for the civilian economy, provided their facilities are adaptable to the production of these goods.

Under present plans, Schedule B of the spot authorization order will list necessary products, including products listed by the Office of Civilian Requirements, on which WPB will assign an AA-5 rating.

If WPB finds that a manufacturer has the labor and facilities to produce one or more of the items in Schedule B, and the manufacturer refuses to produce them, his application to produce other items may be denied. In addition, regardless of whether the manufacturer is equipped to make

any of the Schedule B items, no preference ratings will be granted except for products in this schedule.

The spot authorization order will also contain a Direction 1, which will list, under present plans, approximately 70 L and M orders. Manufacturers will be allowed to file applications for relief from the provisions of these orders to the extent that the provisions either prohibit manufacture entirely or restrict the amount of production permitted. Other restrictive provisions of the orders, such as on the types of models which may be made, on the kinds of materials which may be used, on the amount of materials which may be used for any unit of the article, on end uses, on deliveries, and on inventories, will remain in effect for the time being.

Schedule A of the spot authorization order will show a list of products, components and materials which are still in tight supply. In applying for permission to produce the articles listed in Schedule B or articles from which production restrictions will be removed by Direction 1, manufac-

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turers will have to show their requirements for the critical components, products and materials which are listed in Schedule A.

Two Amendments to Regulation "W" Are Now In Effect

F The following from the Federal Reserve *Bulletin* tells of two additional amendments to Regulation W which relates to consumer credit:

Amendment No. 12 was occasioned by the adoption of price ceilings for used automobiles by the Office of Price Administration and was made effective on the same date that the price ceilings became effective. Prior to this Amendment, credits for the purpose of purchasing used automobiles could not exceed two-thirds of the cash price or two-thirds of the average retail value as published in an automobile appraisal guide, whichever was lower. Since July 10, reference to appraisal guides is no longer required. A provision already in the regulation limits instalment sale credits to no more than two-thirds of the ceiling price.

Amendment No. 13 clarifies the way in which mixed credits consisting in part of credit subject to the regulation and in part of credit not subject to the regulation shall be handled. Terms for the mixed credits must be such that the requirements of the regulation for the part subject to it are satisfied, but the part not subject may be treated in any way the creditor may choose.

The text of the Amendments is as follows:

AMENDMENT NO. 12 TO REGULATION W

Regulation W is hereby amended in the following respects, effective July 10, 1944:

1. By amending section 13(c) entitled "Down Payment on Automobiles and Motorcycles" so that it will read as follows:

(c) *Down Payment on Automobiles and Motorcycles.*—For a new or used automobile or a new or used motorcycle, the down payment (which may be in cash or in the form of a trade-in or in both forms) shall be one-third of the cash price.

2. By amending section 13(e) en-

titled "Maximum Amount of Loan" so that the last paragraph will read as follows:

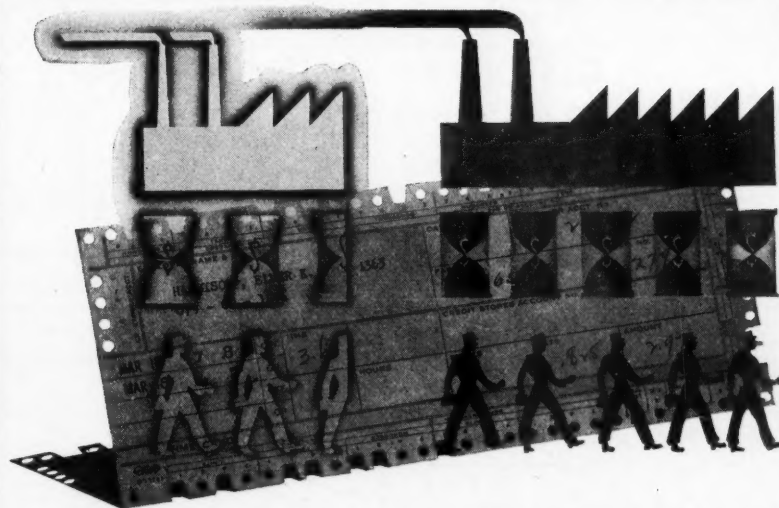
A loan to purchase a new or used automobile or a new or used motorcycle shall not exceed two-thirds of the cash price.

AMENDMENT NO. 13 TO REGULATION W

Regulation W is hereby amended effective June 22, 1944, by striking out subsection (b) of section 12 and substituting the following:

(b) *Extension of Credit for Mixed Purposes.*—In case an extension of credit is partly subject to one section of this regulation and

partly subject to another section, the amount and terms of such extension of credit shall be such as would result if the credit were divided into two or more parts and each part were treated as if it stood alone. In case an extension of credit is partly subject to this regulation and partly not subject to the regulation, the amount and terms of such extension of credit shall be such as would result if the credit were divided and the part subject to the regulation were treated according to the applicable provisions of the regulation; the part not subject to the regulation may be treated as if the regulation did not exist.



EXPANDS OR CONTRACTS WITH THE JOB

McBee Keysort is both the world's fastest card system and the most flexible. If the accounting job requires handling a million cards a day, or just a thousand, it's all the same to Keysort. Trained operators are not required, and costly machinery or equipment is not needed. Ask the McBee representative.



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Offices in Principal Cities

A Plan for Handling Past Due Accounts

(Continued from page 6)

ceivable Trial Balance and Past Due Report"—a combination of two reports in one. Two copies of this report are sent to the Home Office monthly. One for the use of the accounting department and the other for control purposes by the credit department.

All Branches on Recap

ALL branch reports are recapped in a comparative statement which is made available to all branches so that the status among all branches can be determined (Exhibit C).

particular industry may not be adaptable to others. The procedure that has finally evolved in our own organization is based upon our experience, the experience of others, our own research, and much trial and error. As a result, we have been able to integrate activity and forms for more than one purpose to the over all benefit of our Company.

Guarding Good Will

IT is agreed that the function of collecting is simple if it is defined as the collection of accounts to the

is a tangible matter requiring the development of technical methods and systems to meet particular problems and purposes. The enlistment of the salesmen toward the accomplishment of that control is in itself difficult but essential and it can be accomplished through proper education and salesmanship. Education so that the salesmen appreciate the reasons for credit department requests and activity. Salesmanship so that the salesmen are convinced that it is to their benefit to cooperate voluntarily when and where needed in the credit-collection picture. Even so the "partnership" must be a working reality to be perpetuated.

In Defense of the Credit Executive

(Continued from page 8)

those who see only the results are apt to look on with envy, wondering why they didn't get into the same favored line of business. They don't go back to the days when the company had no rating, when the big prosperous plant, now employing hundreds of men and women, existed only in the imagination of the man who built it to its present size.

In conclusion, I take the liberty to quote, "Be Strong," by M. D. Babcock.

Be Strong!

We are not here to play, to dream, to drift;

We have hard work to do, and loads to lift,

Shun not the struggle—face it, 'tis God's gift.

Be Strong!

Say not, the days are evil. Who's to blame?

And fold the hands and acquiesce—Oh shame!

Stand up, speak out, and bravely in God's name.

Be strong!

It matters not how deep entrenched the wrong,

How hard the battle goes, the day how long;

Faint not—fight on! Tomorrow comes the song.

So let us do that what we have to do, when it must be done, whether we like it or not. And, do that what is right at the time it is done, regardless of the consequences; no man can do otherwise.

CUSTOMER'S STATEMENT

Customer's Signature _____

Date _____

These reports are also used to determine collection percentage figures and other statistical analysis.

To insure further control over individual accounts at the branches any items recurring as delinquent from month to month are listed on a special report and sent to the branch for completion. A simple comment as to branch collection activity is all that is desired—comparison of these statements with subsequent reports provide a perfect check as to the proper movement of collections (Exhibit D).

As indicated at the beginning of this paper the methods used in our

elimination of bad debts and without regard to customer good will. However, there is no need for a credit executive to administer that function. The significance of a credit-collection job well done is the ability of the credit executive to enhance the profits of his Company through the stimulation and encouragement of sales and the proper control for collection of the accounts receivable. This requirement is no small task and in our opinion can only be accomplished through practical application of the partnership of sales and credits.

The control of accounts receivable

CED Urges Plan Now for Advertising and Sales After V-Day

CEThe Committee for Economic Development in a report release late in July urges manufacturers to begin now to plan on sales and advertising campaigns which can be started immediately after Germany is defeated. This report contained a booklet just issued by CED and intended "as an aid to the national program of selling more goods and creating more jobs after the war," the CED booklet presents a comprehensive schedule of recommendations outlining a policy of action for wholesalers and retailers to prepare themselves for an over-all national postwar expansion of at least 35 to 40 per cent above the 1940 level of production of goods and services and to make the necessary adjustments brought about by wartime changes in production, employment, savings and marketing techniques.

Rapid development of air freight and the probability of new high-speed roads in the future represent only two of the changes which will lay open new opportunities and problems to the wholesaler and retailer, the study declares. Among the other factors cited are development of new goods, improvements on old products, population gains and changes, the enormous need for replacement of old or worn-out goods, continuation of a high level of purchasing power after the war, repayment of debts and mortgages during the period of wartime shortages and the vast accumulation of pent-up consumer demand and savings.

Wholesalers must formulate plans for the future as soon as possible, the report states, because increased labor costs as well as price and production competition after the war will force the manufacturer and retailer to "look for low-cost methods of distribution." Retailers must also map plans now because efforts to bring about an increase of 35 to 40 per cent over 1940 in the production of goods and services means that "either there will be more stores, or larger stores, or swifter turnover and better methods in present stores," the study continues.

"New kinds of retailing are now being planned in some quarters, and new methods of distribution from manufacturer to retailer. Retailers who are alive to changes and who lay their own plans will be better able to meet changes as they come."

Emphasizing that retailers and wholesalers will always be vital to the domestic economy because of the mass production techniques and centralization of manufacture utilized in this country and also the fact that they provide time and place utility

in the economic structure, the report discusses in detail the factors and problems which these merchants should consider in planning their post-war operations.

For the wholesaler, these are the questions of: (1) Selecting and developing customers; (2) organizing profitable sales volume; (3) reviewing buying policies and receiving methods; (4) analyzing physical plant and order handling, and (5) reviewing controls of inventories and costs.

RISKS don't stand still



Neither should your INSURANCE

Risks are on the move... values are on the wing. To maintain adequate protection for what you own, *insurance must follow.*

In practically every community in America there is a Home Town Agent or Broker representing Fireman's Fund, ready to help you adapt your insurance to changing conditions.

Call him in... tell him your problems... let him analyze your risks and prescribe for them. And remember, when your policy is in a Fireman's Fund company you have the right to feel secure.



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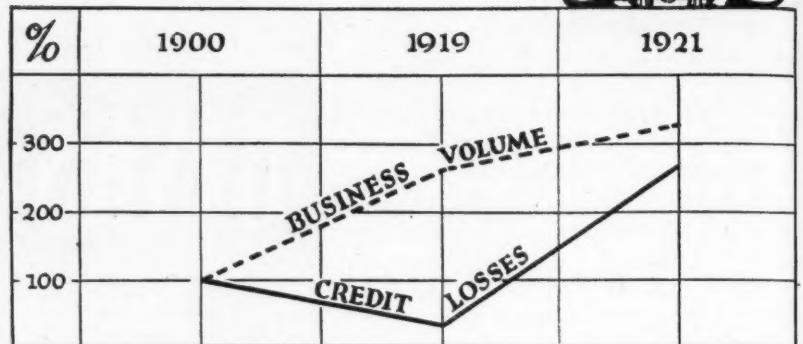
Will History Repeat?

We hope not — but can you afford not to be prepared?



History— after World War I

Following World War I, although the volume of business had increased only a little over 28 per cent, credit losses increased so rapidly that in 1921 they were eight times as great as in 1919.



THERE will be profitable business after victory in World War II.

But there will also be some business on which losses will be sustained. The problem will be to distinguish between the profitable and the potentially unprofitable outlets. *Now is the time to start watching the trend, which will be reflected in the payment performance record of your individual customers.*

Up-to-date ledger experience, available to you when you register your customers' names with Credit Interchange, will help you make sound decisions. Credit Interchange Automatic Revision and Credit Interchange Signal Service will show you where sales effort can be increased to advantage, and where steps should be taken to prevent losses.

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Bureau, St. Louis

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Credit Interchange Bureaus

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ST. LOUIS 1, MO.

NEWS ABOUT CREDIT MATTERS

A section devoted to
Credit Association affairs

August, 1944

Copy deadline
10th of Month

Two Day Meet on International Credit Slated for Nov. 14-15

A two-day conference on International Credit and Finance to commemorate the 25th anniversary of the Foreign Credit Interchange Bureau of the National Association of Credit Men will be held at the Hotel Pennsylvania in New York on November 14th and 15th. Robert L. Simpson, President of the National Association of Credit Men, will make the address of welcome while Henry H. Heimann, Executive Manager-on-leave of the National Association, will keynote the conference with a talk on the responsibilities of the foreign credit executive in the formulation and administration of his company's post-war foreign credit policy.

It is planned to have government and business leaders discuss such subjects as "Monetary Stabilization," "Surplus War Property Disposal," "Post-War Foreign Trade Controls," and "Post-War Credit Competition in Foreign Markets."

The second day at the meeting will be given over to a round table conference on current and post-war questions and problems in connection with foreign credits, finance and exchange, and to meetings of the industry groups sponsored by the Foreign Credit Interchange Bureau. An outstanding feature of the conference will be the luncheons conducted by the Foreign Trade Bankers and by the Export Managers Club of New York, which will be addressed by nationally known bankers and foreign traders. Further details on the conference will be released in forthcoming issues of "Credit and Financial Management."

Des Moines "C" Men Have News Bulletin

Des Moines: "Central Iowa Credit Informer" is the name of a new Bulletin being issued by the Central Iowa Unit, National Association of Credit Men (Des Moines Association of Credit Men). It is a one sheet mimeographed. In the first issue Secretary Don Neiman reports the good prospect of organizing an Association at Quincy, Ill. The Des Moines Credit men held their annual picnic at Grandview Park on July 15th.

To Promote Par-Payment Check Laws in Dakota And Minnesota This Fall

Minneapolis: National Director John E. Hoff, Klearflax Linen Looms Company of Duluth, has called a special meeting of presidents, counselors and secretaries of the Associations in Minnesota and North Dakota to consider plans to promote a par-payment check law in these two states. The proposed legislation in Minnesota will be promoted by a committee composed of National Director Hoff, J. N. McBride, Socony Vacuum Oil Co., St. Paul, H. W. Swenson, Reinhard Brothers Company, Minneapolis. The committee to promote this legislation in North Dakota will be headed by L. C. Follet, Smith-Follet and Crowl, Fargo.

Marshall A. Frost, Minneapolis Iron Store, has been elected president of the Minneapolis Association of Credit Men. Other officers elected were: Walter H. Thune, General Credit Manager, Pillsbury Flour Mills Co.; Councilor, E. C. Vorlander, Minneapolis Honeywell Regulator Co.

A turnout of 86 was on hand for the annual golf tournament held in July. The day's sport program was under the direction of Clarence W. Pierson, Minneapolis *Star-Journal*.

Merit Rating Law Is Passed in Louisiana

New Orleans: A new merit rating law for unemployment has just been enacted in this state. This bill was enacted at a special session of the state legislature and is considered to be a distinct victory for industry. The Shreveport Wholesale Credit Men's Association and the New Orleans Association of Credit Men joined with other commerce and industry associations to secure the passage of this new law. Its passage is the culmination of a statewide effort started in 1942.

Another law just signed by the Governor adds a new section to the Louisiana Lien Law. This new section gives protection to material men not provided in the original law. This new law is known as Number 281 and is a part of Public act 298 of 1926.

400 Reservations for Tri-State Conference at Atlantic City in Oct.

Atlantic City: Some 400 reservations have been made at Hotel Chelsea for the annual Tri-State Conference to be held here on October 15, 16 and 17th, under the joint sponsorship of the Credit Men's Association of Eastern Pennsylvania and the New Jersey Association of Credit Men. The delegates will gather on Sunday evening for a program of entertainment. Monday, October 16, will be devoted to a general discussion of postwar credit problems with important speakers to present the various subjects. Round table discussions have been arranged to follow each address.

The sessions this year will stress the every-day problems of the credit executive. The Tri-State conference has been noted for years for its serious study of credit work and the sponsors aim to keep this year's session up to that high standard.

The trip to Atlantic City from New York requires but two and a half hours on a train which goes direct to the seaside resort. Many up-state credit men plan to join the New York City contingent for the trip over starting early Sunday afternoon on October 15th.

Foreign Trade Will Be Discussed By Chicago Exporters Group

Chicago: A very interesting series of meetings has been planned by the Foreign Trade Division Committee of The Chicago Association of Credit Men for the Foreign Trade Group which meets regularly every month at the Union League Club. For the July meeting the subject decided upon was "International Currency Stabilization" and for the October meeting the subject for discussion will be "Postwar Credit Policies." The August meeting will be a round table discussion under the direction of three members of the group. The September meeting has been set aside for the Foreign Credit Interchange Bureau of the National Association of Credit Men which is planning a round table conference in Chicago.

400 Out for Annual Trade Group Dinner Of Los Angeles C.M.A.

Los Angeles: Four hundred members of the Los Angeles Credit Managers' Association joined in a dual celebration; the annual Trade Group night and the annual meeting to elect officers and directors for the ensuing year. Bryant Essick, Essick Manufacturing Company, was elected president; K. J. Koebig, Liquid Carbonic Pacific Corporation, first vice president; R. D. Roberts, Union Oil Company of California, second vice president; Lewis J. Ashby, McKesson & Robbins, Inc., Treasurer.

All Trade Groups were well represented and many tables were beautifully decorated. First prize, awarded to the Meat Packers Group and the Milling and Flour Group received the award for "most symbolic." As a result those seated at the winners' tables were able to toast the committee in charge, the former with champagne and the latter with sparkling burgundy. The Industrial Group, largest in point of attendance notified by a large placard, "our decorations have gone to war." The funds usually apportioned for decorations having been given to the Red Cross. They were not without a prize, being awarded a large decorated cake for first place in the Trade Group Membership contest.

Prizes were then awarded high point winners in the membership handicap. Marjorie Wright, Scully Bros., took first place and a \$100.00 War Bond. Art Bode, Mefford Chemical Company, second and a \$50.00 War Bond. Lester Fishbeck, Coast Packing Company, third for a \$25.00 War Bond. Not detracting from the point winners, attention was called to the efforts of two who were not entered in the contest. Lew Ashby, Super Zeb and Chairman of the Membership Committee is credited with seven members and Geo. Van Vorst, past president of the Association and Board of Trade, with thirteen.

Following dinner, and while the floor was being cleared, pictures, were shown in the patio through the courtesy of President Elect Bryant Essick. The balance of the evening was devoted to dancing and good fellowship.

Petroleum Division To Meet in Chicago On October 23, 24, 25

St. Louis: Announcement was made at the headquarters of the Petroleum Division of the National Association of Credit Men here that the annual meeting of the Petroleum Division will be held on October 23, 24 and 25th at the La Salle Hotel in Chicago. The program committee has been hard at work on a schedule of discussions for the three day session. The general theme of the meeting will be based upon the problems facing the industry after Victory-day.

News From the Women's Clubs

Atlanta: The Credo Club, Atlanta, has elected the following officers: President, Miss Eleanor Gatlin, Westinghouse Electric & Manufacturing Company; Vice President, Miss Marie Caldwell, General Shoe Corporation; Secretary, Miss Hazel Bowles, John H. Harland Company; Treasurer, Miss Mildred Schenck, Kraft Cheese Company.

At the June meeting the name of the club was changed from Credo Club to Atlanta Wholesale Credit Women's Club. At this meeting Mrs. Carmen Dobbs and Mrs. Marjorie Jennings made entertaining and instructive reports on the War Credit Congress.

St. Paul: The St. Paul Credit Women's Club were guests of the Truman E. Reynolds and Mrs. Reynolds, at their Turtle Lake Summer Home. With boating, swimming, badminton, and soft ball all in the day's program, a busy and eventful day was enjoyed by both guests, and host and hostess.

San Francisco: "At the June 21 meeting of the Credit Women's Club of the Credit Managers Association of Northern and Central California, the following officers were installed:

Lucile Duarte, President, General Brewing Corporation; Ruth Williams Ewin, Vice President, Stefani Brothers; Cecilia Boock, Treasurer, Yawman and Erbe Mfg. Co.; Della O'Brien, Secretary, Rainier Brewing Company.

Judge Melvyn I. Cronin was Installing Officers."

Cleveland: The regular meeting of the Cleveland Credit Women's Club was held on Thursday, June 15, at the College Club. Past President Lucy Killmer, installed the following new officers:

President—Kathryn Sirc, the Edgar A. Brown, Inc.; Vice President—Helen M. Reuss, the Automotive Parts Co.; Secretary—Florence Flickinger; Treasurer—Alice Keil, the Millcraft Paper Co.

Then by proxy, the group attended the National War Credit Congress in Omaha. Delegates Kathryn Sirc, Lucy Killmer, Hazel McDonald, and Jeanette TeLoken very interestingly covered the various activities of the convention. In fact they did so well they have enthused many to plan to attend the next convention.

The annual picnic of the club was held Saturday, July 8, at the beautiful country home of Anne Linde and Agnes Weiler. This is the one occasion when all business problems are put aside. There were games and races and then a sumptuous chicken dinner, country style.

Get a Member in August

Oregon Chapter N.I.C. Holds Annual Dinner; Twenty-Five Present

Portland: The Oregon chapter of the National Institute of Credit held its first dinner meeting of 1944 on June 22. Twenty-five members were present. A novel feature was introduced by J. W. Bishop, president of the chapter. Under the direction of R. M. Snider, instructor in Credits and Collections, a "true or false" quiz on credit matters was held. All present participated. The contest served to review and revive many important credit points developed in classwork. Willard S. White, Jantzen Knitting Mills, makers of the famous Jantzen Swim Suits known throughout the world, was the last survivor. His prize was a handsome combination pen and pencil.

President Bishop gave the latest news of N.I.C. graduates and former students now serving with the Armed Forces in various parts of the world. Through W. H. Puette of the American Can Company, librarian of the chapter, correspondence is maintained with these students and graduates.

The chapter officers are J. W. Bishop, president; Edwin G. Hallwyler, vice president; Mrs. Marie Gray, secretary-treasurer; and W. H. Puette, librarian.

The next meeting of the chapter will be held in September.

I. B. Jones Is Named Lexington President

Lexington: On Tuesday, June 20, the Lexington Credit Men's Association held their annual meeting and election of officers at the Lafayette Hotel, Gold Ballroom, in Lexington, Kentucky. There were about one hundred present.

I. B. Jones of the Savage Lumber Company, was elected president for the current year, and Mrs. Katherine F. Adcock, of Bryan-Hunt Company, was elected Vice President.

The honorable Eldon S. Dummit, Attorney-General of Kentucky, was guest speaker, and gave us an interesting, educational forty-five minutes filled with wit, yet bearing throughout a thread of seriousness to make each of us more conscious of our individual responsibility at present and in the years just ahead.

Drug & Chemical Group To Hold Midwestern Fall Conference

Chicago: The Drug & Chemical Group of The Chicago Association of Credit Men are planning for their annual Midwest Conference to be held at the Drake Hotel in Chicago, Friday, November 17, 1944. Harry Silverstone, Galler Drug Company, Chairman of the Group, has appointed the committee and it is already at work on plans for the meeting.

Credit Congress Workers Are Honored at Dinner at Hotel Paxton, Omaha

Omaha: All committee workers who participated in the recent War Credit Congress at Omaha were honored by a dinner party at the Hotel Paxton in Omaha, Thursday evening, June 22.

F. H. Schrop returned to Omaha from New York City to attend this function, as well as to close some remaining Convention business.

General Chairman, Frank H. McCall acted as toastmaster.

Gus P. Horn, Executive Secretary of the Omaha Association of Credit Men, complimented the workers on their zeal, untiring cooperation and hard work in helping make a Credit Congress that will go down in history.

Some interesting sidelights of the Convention were also told by B. W. Stauffacher, Ray R. Ridge, Miss Henrietta Lamb, Mrs. Gus Horn, H. R. Burke, F. J. Korous, Millard C. Lamb, and several others.

Fred Harris, that master of wit and humor, again had his audience convulsed with laughter with his remarks. He spoke of the efficient direction and hard work of F. H. Schrop in helping make the Omaha Credit Congress the success that it was. Calling Mr. Schrop the "Prince of Good Fellows" and as a token of the high esteem and lasting friendship he created during his short stay in Omaha, Mr. Schrop was presented with an engraved wrist watch from the Omaha committee workers. About ninety-nine of the committee workers and lady hostesses were in attendance.

Connecticut 'C' Men Hold State Conference

Hartford: The Connecticut Association of Credit Men held its annual state conference at the Wethersfield Country Club on June 20. The conference was well attended and heard a number of interesting subjects dealing with credit and financial problems. At the business meeting the following officers were elected:

President—E. S. Lancaster, American Paper Goods Company, Kensington, Conn.
Vice-president—W. A. Fertman, C. B. Dolge Co., Westport, Conn.

Vice-president—G. A. Barnes, Miner, Read & Tullock, Inc., New Haven, Conn.

Vice-president—T. F. Driscoll, The Patent Button Co., Inc., Waterbury, Conn.

Treasurer—J. R. Heery, The United Illuminating Co., New Haven, Conn.

Secretary—A. O. W. Anderson, Socony Vacuum Oil Co., Hartford, Conn. One of the subjects discussed at the business meeting related to a better coordination of the efforts of the four Associations in Connecticut.

Export Facilities

Responsible Export Manager with world-wide connections has facilities for handling other export sales departments of non-competitive merchandise on a commission basis. Write Credit and Financial Management, Box 8-C.

Mid-Year Statements by C.P.A.'s Urged by Uptown "C" Group

New York: The importance of mid-year certified financial statements was urged upon the trade at a recent meeting of the Uptown Credit Group, an affiliated association of The National Federation of Textiles, Inc. The Group pointed out that this was a trade practice of long standing and that it was particularly important in the present situation.

NYCMA Adds 30 New Members in "Dull" July

New York: Despite the general business letdown which occurs throughout all activities during the months of July and August, General Membership Committee Chairman Earl N. Felio was, nevertheless, able to present 30 new applications to the Board of Directors of the New York Credit Men's Association at its meeting on July 20.

Due to the pendency of the important Insurance Bill on Congress, President Eldridge has appointed the Association's Insurance Committee to serve for the period 1944-45. The Committee will be headed by William G. Betsch of Wm. Iselin & Co., Inc., with A. L. Carr of National Surety Corporation as Vice-Chairman. Members of the new Committee met in session on July 25 and listened to an interesting address by David Q. Cohen of the Association of Casualty and Surety Executives on the subject of the pending Congressional legislation.

This Committee expects to work in very close cooperation with the NACM Insurance Committee.

* * *

Wm. Fraser of J. P. Stevens & Co., Inc., will head a Committee to suggest revisions in the By-laws of the New York Credit Men's Association. L. D. Duncan of National Distillers Products Corp. will act as Vice-Chairman. Many provisions of the By-Laws are out of date due to changes in conditions which have taken place over the years.

Position Wanted

CREDIT MANAGER, now with distributor of metals and roofing supplies. Have been treasurer for corporation with half million assets. Experience as office manager. No credit losses in 1943 with sales of two million dollars. Collections of \$2000 from accounts previously charged to profit and loss. Age 46. Married. Minimum salary, \$5000.00. Reason for desiring change of employment, corporation may be liquidated to settle estate. Write Credit and Financial Management, Box 8-A.

ASSISTANT CREDIT Man, seven years credit background in New York City. Law, accounting and Credit Institute training. Desires position in Northeastern States. Write Credit and Financial Management, Box 8-B.

EXECUTIVE—Available for position as general manager, sales manager, credit bureau manager, association of commerce manager, personnel director, public relations officer, corporation secretary, with knowledge of accounting, commercial law, correspondence and public speaking. Desires position in, or near, the State of Virginia. Address Credit and Financial Management, Box 8-E.

New Orleans Friends Honor NACM Prexy at Antoine's Spread

New Orleans: Twenty-four past presidents and members of the board of directors of the New Orleans Association of Credit Men honored Robert L. Simpson, president of the National Association at a dinner at Antoine's on June 29, National President "Bob," having served in many capacities in the New Orleans Association, the officers, directors and past presidents, voted a resolution praising his selection as head of the National Association. R. A. Piske, president of the New Orleans Association, presided at the dinner as toastmaster. Talks were made by Past National President Ned Pillsbury, George Grundman and Earl Brister.

It was announced at this dinner that President Simpson has received another signal honor, having been named a member of the Port of New Orleans Commission. This board has much to do with the promotion of New Orleans as an exporting center of South America trade.

Chicagoans Report Collections as "Good"

Chicago: Reports sent in by members of the Industry Credit Groups of The Chicago Association of Credit Men show that during June, of those of the members reporting, 97.2 per cent said that collections were "good" and 2.8 per cent said they were "fair," according to C. L. Holman, Wilson Brothers, President of The Chicago Association of Credit Men. Not a single report showed "poor." The members of the Industry Credit Groups are engaged in manufacturing, wholesaling, jobbing and distributing and represent practically all lines of merchandise. These reports show a steady increase in collections beginning in May, 1942, when 71.6 per cent reported collections "good" and 28.4 per cent "fair." During the past few months the reports have continued in the 90.0 per cent bracket.

Get a Member
in
August

Offers Production and Distribution Facilities in Brazil

U. S. manufacturer of pharmaceuticals with branch laboratory and staff in Brazil is equipped for production and distribution of products of one or two reputable houses planning entry into that market or already active there. Write Credit and Financial Management, Box 8-D.

200 Agencies Now Making Studies on Postwar Business

America's determination to go into the postwar period with eyes open and the facts at hand is reflected in a survey issued by the Twentieth Century Fund showing nearly 200 public and private agencies of national scope now actively doing research or public education on postwar problems.

This is the third in a series of surveys made by the Fund and the current report, *Postwar Planning in the United States: An Organization Directory*, shows a striking increase over the 105 organizations listed in 1942 and the 137 in 1943.

"Our investigation gives real ground for hope that this country is facing its postwar questions factually and in time for effective action," said Evans Clark, Executive Director of the Fund. "All kinds of agencies, governmental, private, business, professional, educational and others, are at work collecting facts, making plans, analyzing problems so that we may anticipate and effectively deal with some of the tremendous questions that will face us after victory is won."

Of the 197 organizations included in the Fund's new directory, 39 are government and 158 are private agencies. According to the survey report organizations listed are "limited to those which are: (1) located in the United States; (2) operating on a national or international, rather than on a state or local, basis; (3) carrying on continuing, rather than sporadic or occasional, activities, and (4) concerned with programs of particular interest to the United States. A number of health and relief and rehabilitation organizations, as well as four large library groups which serve the country as postwar information centers, and some leading business, trade and professional associations have been added in this report."

The private organizations include 63 research and educational institutions; 50 organizations concerned with business, labor and agricultural affairs; 17 welfare, health and religious groups; 16 professional bodies and 8 women's associations.

New Orleans Zebras Initiate 6 Quaggas

New Orleans: A Zebra Round-Up was held recently at which the following Association members, who had earned their stripes, were initiated:

D. S. Hammer—The Flintkote Co.

Monroe W. Hatch—New Orleans Public Service, Inc.

E. R. Knoblock—The South Coast Corporation.

E. T. Metzger—Stauffer-Eshleman & Company, Ltd.

Simon Paillet-Godchaux Sugars, Inc.

T. A. Shaw—Modern Appliance & Supply Company, Inc.

There was only one casualty—ask Monroe Hatch. Following the initiation a buffet supper was served at which 25 Zebras were present.

Washington: The Washington Service Bureau calls attention to an error in the statement in the July 15 issue of the *Members' Bulletin* regarding the publication on "Surplus War Property Administration." This should have been indicated as Regulation No. 1, not Executive Order No. 9235 as stated. Copies of Regulation No. 1 may be obtained through the Washington Service Bureau or from the Government Printing Office.

Services Offered by Syracuse Association

Syracuse: Attention is called to an error in the list of approved Adjustment Bureaus published in the July issue of *CREDIT AND FINANCIAL MANAGEMENT*, as the services offered by the Syracuse Association of Credit Men were not listed. The service codes for this Association should be A.B.C.P.R.T.

While a list of approved Adjustment and Collection Bureaus has just been distributed on a reference sheet to all Associations, attention is called to the fact that the Syracuse Association now offers all of the services mentioned above.

Sioux City Picnic Aug. 19th

Sioux City: Members of the Interstate Association of Credit Men of Sioux City will gather on Aug. 19 at the Riverside for their annual picnic. The Association did not hold a summer outing last year but the Committee in charge of this year's event promise to make up for the omission with this year's entertainment.

H. R. Attmore Heads Buffalo Association

Buffalo: H. Ralph Attmore, American Brass Co., has been named president; James L. Adkins, Remington Rand, Inc., first vice-president, and Douglas R. Brown, Gulf Oil Corp., second vice-president of the Credit Association of Western New York. These officers were named at the recent organization meeting of the Board of Directors at which time plans were completed for a renewal of activities in this Association for the forthcoming year.

Wichita "C" Men To Picnic Aug. 15

Wichita: Members of the Wichita Association of Credit Men are looking forward to the annual family picnic which will be held on Tuesday, Aug. 15, at Tom Deal's Lake and Lodge. Secretary Garrison has a way of making these occasions quite eventful and the committee working with Secretary Garrison for this year's picnic promises to live up to former reputation.

Executive Board of Secretarial Council to Meet in August

Des Moines: Don Neiman, chairman of the Secretarial Council, announces a meeting of the executive committee of the Council on Aug. 18 and 19 at the Edgewater Beach Hotel in Chicago. The members of the executive committee are: Raymond Hough, Secretary-Manager of the New York Credit Men's Association (Eastern District); Ken Thomson, Secretary of Cleveland Association of Credit Men (Central District), and A. D. Johnson, Secretary of Los Angeles Credit Managers' Association (Western District), and Don Neiman, Des Moines, as chairman of the Council.

President Robert L. Simpson plans to attend the meeting. Secretary and Assistant Executive Manager, David A. Weir and E. B. Moran of Chicago, will represent the national staff.

35 Toledo Zebras Vie for Prizes at Annual Golf Meet

Toledo: The annual golf tournament and chicken dinner sponsored by The Toledo Herd No. 22, Royal Order of Zebras, was held on July 13 at the Chippewa Country Club with an attendance of 35 players. Robert Ward of the Sun Oil Company served as master of ceremonies at the dinner and distributed the prizes to the players. A second tournament is contemplated for some time in August.

On July 20 members of the Credit Round Table gathered for luncheon at the Willard Hotel when awards were presented to the winners of the Forecasting Survey which was done last March. This survey was conducted by way of a questionnaire which was issued to all members who were asked to reply to 20 questions on possible conditions at the end of June, 1944. The committee in charge of this survey were E. H. Weihe, Owens Corning Fiberglass Corp.; A. J. Sodick, Electric Auto Lite Company; R. J. Benziger, Libbey Glass Division of Owens-Illinois.

President C. C. Schmidt, Ohio Bell Telephone Company, has just announced the special committees for the Toledo Association, Illinois.

Every NACM Member Should
Read Statement by Our National Insurance Committee
on Pages 13 and 14 in this
issue.